FOREIGN BROADCAST INFORMATION SERVICE

Daily Report

Latin America

FBIS-LAT-94-229
Tuesday
29 November 1994

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report
Latin America

FBIS-LAT-94-229 *29 November 1994*

CONTENTS

INTERNATIONAL AFFAIRS

Mercosur Foreign Ministers Meet in Brussels 1
View Associations With Other Blocs *[TELAM]* 1
Argentine Minister Decries U.S. Subsidies *[TELAM]* 1
Di Tella on Mercosur-EU Trade Problems *[Madrid EFE]* 2
News Conference Discusses Drug Issue *[TELAM]* 2
Andean Presidents Send Letter to EU on Tariffs *[Madrid EFE]* 3

INTER-AMERICAN AFFAIRS

Summit Proposal To Combat Money Laundering Approved *[Santa Fe de Bogota Radio]* 4
OAS Chief Against Discussion of Cuba at Summit *[NOTIMEX]* 4
Regional Economic System Called Upon To Aid Haiti *[CANA]* 5
Mercosur Adjusts Key Customs Union Legal Points *[BUSQUEDA 17 Nov]* 6
Andean Pact Countries Agree on External Tariff *[Madrid EFE]* 7
ALADI Seeks Convergence of Integration Processes *[Madrid EFE]* 8

CARIBBEAN

Cuba

Robaina Lists Top Foreign Policy Priorities *[PRENSA LATINA]* 9
Robaina Leaves for Mexico, Says Ties 'Special' *[Havana Radio]* 9
Discusses Possible Castro Visit *[Havana Radio]* 9
Helms Appointment Said To Bode Ill for Summit *[PRENSA LATINA]* 10
Guantanamo Refugees Granted Asylum in Venezuela *[Havana Radio]* 11
Castro Receives Party Delegation From Vietnam *[Hanoi Radio]* 11
Solidarity Order Presented to Mexican Navy Secretary *[Havana Radio]* 11
Romanian Ambassador Urges Revitalized Ties *[Havana Radio]* 12
Belgian Diplomat on Current State of Economy
[Brussels FINANCIEEL-EKONOMISCHE TIJD 6 Oct] 12
ANPP To Debate Bill on National Assembly Operations *[Havana Radio]* 14
Havana Province Farmers Markets Report Positive Results *[Havana Radio]* 14
CTC Backs Market Mechanisms in Sugar Harvest *[NOTIMEX]* 14
New Telecom Facility Receives 'Finishing Touches' *[Havana Radio]* 15
Nuclear Equipment Project Coordinator Interviewed *[Havana Radio]* 15
Middle Schools Converted Into Agricultural Communities *[Havana Radio]* 15

Inter-Caribbean Affairs

Caricom Secretariat Prepares for Miami Summit *[CANA]* 16
Eastern Nations' Leaders Discuss Economic Issues *[CANA]* 17
Ambassador Rejects Chiquita Petition *[CANA]* 17

Haiti

U.S. Officials' Comments on Disarming Cited *[Port-au-Prince Radio]* 17
Foreign Minister To Address UN General Assembly *[Port-au-Prince Radio]* 18
Funding Expert Describes Foreign Aid Problems *[Port-au-Prince Radio]* 18

MEXICO

PGR Finds 'No Evidence' Linking PRI to Cover-Up *[Mexico City TV]* 19

Zedillo Meets With PRD Legislators *[Mexico City Radio]* 19
Peace Commissioner Leaves Post, Views Peace Plan *[NOTIMEX]* 20
Opposition Legislators Chair Key Chamber Commissions *[EL FINANCIERO 25 Nov]* 20
Article Lists Agencies Backing Research *[UNOMASUNO 25 Nov]* 21
Roundup of Economic Developments *[UNOMASUNO 21 Nov, etc.]* 22

CENTRAL AMERICA

El Salvador

President Discusses UN Mission, Illegal Aliens *[San Salvador Radio]* 24
Two Ministers Resign To Face Legal Charges *[San Salvador TV]* 25

Guatemala

Human Rights Ombudsman Threatens To Close Office *[LA REPUBLICA 25 Nov]* 26
UN Expert Criticizes Human Rights Situation *[Guatemala City TV]* 26
Defense Minister Comments on Bamaca Case *[Guatemala City TV]* 27
URNG, Government Peace Talks Begin *[LA REPUBLICA 28 Nov]* 28
President on Measures for Electricity Sector *[Guatemala City TV]* 28
PAC Members To Continue in Organized Groups *[LA REPUBLICA 27 Nov]* 30

Honduras

President, Minister Deny Plans for Economic Adjustments *[Tegucigalpa Radio]* 30
Military Chief: Armed Forces Changing *[EL PERIODICO 23 Nov]* 31

Nicaragua

Editorial Criticizes Ramirez for Attacking Daniel Ortega *[BARRICADA 22 Nov]* 31
Columnist Signs 'Death Threat' *[LA PRENSA 21 Nov]* 32
Cardenal on Resignation From FSLN *[LA NACION 28 Oct]* 32

Panama

President Announces Expulsion of Legislator From Party *[Panama City TV]* 34
Legislator Turns Himself In *[Panama City TV]* 34
Legislator Comments on Arrest *[Panama City TV]* 35

SOUTH AMERICA

Argentina

SIDE Second in Command Meets Syrian Intelligence Officers *[CLARIN 27 Nov]* 36
Menem 'Satisfied' With U.S. Envoy Explanation *[TELAM]* 36
President Menem Discusses Miami Summit Agenda *[TELAM]* 37
Menem Champions Chile Joining Mercosur *[TELAM]* 37
Cultural, Educational Accord Signed With Cuba *[TELAM]* 37
Cordoba Businessmen View Southeast Asia Markets *[TELAM]* 38
Editorial Views Problems, Advantages of APEC Forum *[LA NACION 22 Nov]* 38
Grand Front Leaders Sign Accord To Prevent Split *[Madrid EFE]* 39

Bolivia

Private Banking System 'Shaken' by 2 Bankruptcies *[Madrid EFE]* 39
Banks Put Under State Control *[Madrid EFE]* 40

Brazil

Armed Forces Intelligence Checking on Hizballah Presence *[JORNAL DO BRASIL 26 Nov]* 41
Accords With Peru Envision Increased Trade, Investment *[GAZETA MERCANTIL 22 Nov]* 41

UK Envoy on Brazilian Market for Falklands Oil *[TELAM]* 41
Cardoso To Visit PRC, Learn About Budgetary Matters *[Brasilia Radio]* 42
Industrialists Take Aim at Mercosur *[GAZETA MERCANTIL 24 Nov]* 42
Cardoso To Devote 'Special Attention' to Social Area *[JORNAL DO BRASIL 26 Nov]* 43
Article Examines $32.7 Billion Sao Paulo State Debt *[FOLHA DE SAO PAULO 27 Nov]* 44
1995 National Budget Distribution, Amendments Examined *[AGENCIA ESTADO]* 44
Lula, PT Leaders Evaluate Election Campaign 'Mistakes' *[AGENCIA ESTADO]* 45
Army Issues Report on Borel Slum Operation in Rio *[Sao Paulo TV]* 46
Editorial Compares Situations of Clinton, Cardoso *[FOLHA DE SAO PAULO 21 Nov]* 46
Roundup of Economic Reports *[AGENCIA ESTADO]* 46
Progress, Impact of PRC Three Gorges Project Seen 48
Firms Express Interest *[O ESTADO DE SAO PAULO 30 Oct]* 48
Work May Take 15 Years *[O ESTADO DE SAO PAULO 30 Oct]* 49
Reservoir Will Drown City *[O ESTADO DE SAO PAULO 30 Oct]* 49

Chile

Insulza Hopes for Concrete Proposal During Summit *[Madrid EFE]* 50
Economy Minister Denies Decision Made to Join NAFTA *[ESTRATEGIA 18 Nov]* 50
Insulza Notes Importance of Joining GATT *[Madrid EFE]* 51
Frei Views Tour, Terms APEC Membership 'Historic Step' *[Madrid EFE]* 51
Financiers Seek Regional Role For Santiago *[London FINANCIAL TIMES 29 Nov]* 51
Editorial Evaluates Benefits of Joining APEC *[EL MERCURIO 17 Nov]* 52
Frei, Cuba's Castro To Meet 1 Dec in Mexico *[Madrid EFE]* 53
Bolivian Development Minister Ends 2-Day Visit *[Madrid EFE]* 53
Frei, Croatia's Tudjman Hold Talks; Treaties Signed *[Zagreb TV]* 54
Tudjman: Bosnia Solution Delay Not Possible *[Zagreb Radio]* 54
News Conference Held; Accords Signed *[Santiago TV]* 54
Further on Tudjman's Visit *[Madrid EFE]* 55

Colombia

DEA Links Grajales Family to Cocaine Trafficking *[Santa Fe de Bogota TV]* 55
Prosecutor's Office Begins Investigation *[Santa Fe de Bogota TV]* 56
'Unprecedented Offensive' Launched To Block Narco-Bill *[EL TIEMPO 24 Nov]* 56
Faceless Judges' Representative Opposes Narco-Bill *[Santa Fe de Bogota TV]* 57
Government Minister Reiterates Decision To Spray Coca Crops *[Santa Fe de Bogota TV]* 57
Abductors Make Ransom Demand for U.S. Citizen *[Madrid EFE]* 57
FARC, Politicians Cited on Samper Peace Proposal *[EL TIEMPO 19 Nov]* 58
FARC Calls For Peace Talks, Bilateral Cease-Fire *[AFP]* 59
Samper Pleased With Rebel Communique on Peace Talks *[Santa Fe de Bogota TV]* 59
Samper Endorses Idea of Security Cooperatives *[Santa Fe de Bogota TV]* 59
ELN Spokesman, Defense Minister on Rural Security Cooperatives *[Santa Fe de Bogota TV]* 60
Armed Forces, Police Personnel Changes Announced *[EL ESPECTADOR 24 Nov]* 60

Paraguay

Arrested General Bernal Released on Court Order *[ABC COLOR 27 Nov]* 61
National Encounter Changes Name To Comply With Law *[ABC COLOR 28 Nov]* 61

Peru

Army Commander Denies Trip to Cuba, Health Problems *[Lima TV]* 62
Fujimori Offers Reward for Red Path Leaders *[Madrid EFE]* 62
Fifth-Ranking Red Path Leader Arrested *[Madrid EFE]* 63
Fujimori Dedicates Airport Communications System *[Lima TV]* 63
Poll: Fujimori Leads, Perez de Cuellar's Support Decreases *[Madrid EFE]* 63
Yoshiyama on Fujimori, De Cuellar, Campaign *[DEBATE Sep-Oct]* 64
Candidate Barrantes: Campaign of 'Mass Education' *[SI 24 Oct]* 67
DEBATE Publishes Annual Political Power Poll *[Aug]* 69
Pescaperu Sells First State Company *[Lima TV]* 70

Inefficiency, Corruption of Judiciary Reported *[LA REPUBLICA 9 Oct]* 70
Need for Judicial Reform Examined *[PERUPAZ Oct 94]* 72

Uruguay

Sanguinetti Maintains Lead in Presidential Election *[Madrid EFE]* 73
Lacalle, Ruling Party Concede Defeat *[NOTICIAS ARGENTINAS]* 74
Blanco To Work With Sanguinetti *[Madrid EFE]* 74
Provisional Vote Count Indicates New Congressional Makeup
[NOTICIAS ARGENTINAS] 74
Several Arrested in 'Minor Incidents' After Election *[Madrid EFE]* 74
Voters Reject Education Reform Proposal *[Montevideo Radio]* 75

Venezuela

Indians Seize Guatemalan Consulate in Maracaibo *[Caracas Radio]* 75
Indians End Occupation *[EL NACIONAL 24 Nov]* 75
Agreement With Cuba To Exchange Drug Information *[EL UNIVERSAL 27 Nov]* 75

Mercosur Foreign Ministers Meet in Brussels

View Associations With Other Blocs

PY2811145894 Buenos Aires TELAM in Spanish 2132 GMT 24 Nov 94

[Report by special correspondent Fabian Quinta]

[FBIS Translated Text] Brussels, 24 Nov (TELAM)—The foreign ministers from Argentina, Brazil, Paraguay, and Uruguay today noted that they are optimistic over the Mercosur [Common Market of the South] progress, but expressed reservation over trade associations with other economic blocs.

Brazilian Foreign Minister Celso Amorim emphasized: "Mercosur is not vague; the customs union will become fully effective on 1 January 1995 as foreseen."

The Brazilian foreign minister said this during a news conference by Mercosur foreign ministers after a working lunch with EC President Jacques Delors.

Amorim added: "Mercosur will not be postponed, it will acquire legal status on 1 January, with institutions that will represent it as a unity" before the international community.

He was joined by his Argentine counterpart Guido Di Tella, his Paraguayan counterpart Luis Maria Ramirez Boettner, and his Uruguayan counterpart Sergio Abreu.

Concerning the conversation with Delors at noon today, Amorim emphasized: "A schedule of negotiations was not presented, but a political willingness to initiate them was expressed, which is important."

Addressing about 40 journalists packed in the EU press room, Di Tella explained: "We are not excluding anyone. We have scheduled Bolivia's and Chile's entry, but each entry involves long and complex negotiations."

Di Tella explained: "We are now dealing with second-generation agreements, that is, among regions."

He said: "It would be nice to say yes to every question about our willingness to join NAFTA and the EU, but these processes involve hard negotiations."

The Argentine foreign minister emphasized: "The question is not whether Mercosur will succeed because it already is successful: The customs union has already quadrupled trade within our region and has increased trade with third countries."

Answering a Mexican journalist on negotiations with NAFTA, Di Tella said: "It is a vague goal. We now have the possibility of initiating talks with the EU, with which we trade more than we do with NAFTA."

The Uruguayan foreign minister said the negotiations with the EU "involve progressive deregulations in all areas. But we are not saying there will be no exemptions, especially in areas that may be sensitive for the two regions."

Amorim said: "Irrespective of the outcome of the negotiations between the two blocs, it will be an improvement on the previous situation."

Asked about their position on the Americas Summit, the Paraguayan foreign minister emphasized: "Our countries want to establish a free trade zone throughout the entire region."

Ironically, Amorim said: "I don't know if Mercosur will join NAFTA or if the United States wants to join us."

Argentine Minister Decries U.S. Subsidies

PY2811122694 Buenos Aires TELAM in Spanish 2151 GMT 24 Nov 94

[FBIS Translated Text] Brussels, 24 Nov (TELAM)—Foreign Minister Di Tella today classified as a taboo the U.S. subsidies issue. He pointed out, however, that negotiations to prevent Brazilian mills from purchasing wheat at privileged prices are satisfactory.

Di Tella made these comments during the news conference the foreign ministers of the Common Market of the South [Mercosur] granted to European journalists. He declined, however to give more details "because the negotiations will continue next week."

Minister Di Tella said: "The United States has adopted a very old-fashioned position regarding agricultural subsidies, demonstrating social, political, and economic backwardness."

He told the more than 40 European journalists gathered to listen to the South American foreign ministers that "nowadays, the Mercosur member countries are implementing better policies than those of the northern hemisphere countries."

"The U.S. agricultural subsidies are a taboo issue," Di Tella categorically asserted.

He remembered that 40 years ago, when he was studying in the United States, "Paul Samuelson mentioned the U.S. subsidies for the agricultural area as an example of extremely bad policy."

He then said: "They have wasted billions of dollars on a small group that has an overestimated political weight, thus showing political and economic backwardness in their failure to solve this issue."

"Brazil, Argentina, and Uruguay have had to pay a high cost to get rid of past protectionist measures. Currently, the Mercosur member countries' policies are better than those of the northern hemisphere countries," he added.

Finally he said, while the journalists laughed, "You may say that this is being totally, self-righteous and, well, it is...."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Di Tella on Mercosur-EU Trade Problems

PY2811133594 Madrid EFE in Spanish 1248 GMT 25 Nov 94

[FBIS Translated Text] Brussels, 25 Nov (EFE)—Argentine Foreign Minister Guido Di Tella said in Brussels today that a reduction of about 5 percent in the benefits provided by the Generalized System of Preferences (GSP) to the Argentine-EU trade will cost $13 million and will particularly affect the leather industry.

"Changes to the GSP contemplated by the EU could affect deals worth $260 million," Di Tella said during a meeting with journalists.

The minister emphasized: "The credibility of negotiations" for creating an interregional association between the two blocs, which will start being discussed next year, will be affected if the reform hurts the EU-Mercosur (Argentina, Brazil, Paraguay, and Uruguay) bilateral trade.

The Argentine foreign minister, who together with his Brazilian, Paraguayan, and Uruguayan counterparts met on 24 November with European Commission Chairman Jacques Delors to give "a political push" to the negotiations, criticized the EU because of its "bad economic interventionist policy which also lacks economic dynamism."

"The EU agriculture policy is an example of a very bad policy because it benefits an insignificant group of the population at a very high cost for the government. The people responsible for this policy share this view," Di Tella said.

The minister said the trend is for the EU to gradually eliminate the protectionist system and "we have seen the beginning of this correction, although the process may be very slow."

With respect to the EU's intention to negotiate a free trade agreement with a progressive and reciprocal liberalization of agricultural trade, taking into account the sensitivity of certain products, Di Tella said: "We accept the different speeds, but at the moment of truth we will figure out whether it is advantageous or not."

The Argentine foreign minister said at present the large economic areas with the worst indicators are the EU and North America, with a growth rate of 1 or 2 percent, while new regions like Asia grow at around 8 to 9 percent and Latin America at around 6 to 8 percent.

"The EU cannot continue wasting resources as it did during the past decade," Di Tella said.

The foreign minister recognized that in the past Chile had a distant attitude toward Mercosur [Common Market of the South] but "started looking at it with a lot of interest" once Argentina and Brazil corrected their economic problems.

Di Tella underlined Mercosur's great integration progress emphasizing "if there is something we did well, it was to do without the bureaucracy, which produced an important savings when compared to the 16,000 officials that the EU maintains for the same purpose."

Di Tella explained that the four Mercosur countries have independent foreign policies, but "the opinions of our neighboring countries have more influence on us than before."

The minister said the UN Security Council "still reflects a postwar situation, ignoring, among other things, the emergence of Latin American countries." "It must be adapted, but very carefully, in order to continue being an efficient organization."

Di Tella said Latin America should have four representatives in the UN Security Council (two more), adding however, that it should not have more than a total of five or six new members. Di Tella expressed his country's disposition to support Brazil's membership, adding that an alternative would be to have rotating members with reelection, "which is much more important" if Latin America can only have one additional member.

News Conference Discusses Drug Issue

PY2811151794 Buenos Aires TELAM in Spanish 2216 GMT 24 Nov 94

[Report by unidentified special correspondent]

[FBIS Translated Text] Brussels, 24 Nov (TELAM)—Drugs and drug trafficking in South American countries were discussed during a news conference by Mercosur [Common Market of the South] foreign ministers and European journalists.

The journalists wanted to know if talks had been held with EC President Jacques Delors on measures to prevent drug trafficking in Mercosur countries.

Brazilian Foreign Minister Celso Amorim responded: "This issue was not discussed." Not without irony, he added: "We are all interested in ending tragedy of drug trafficking."

The Brazilian foreign minister then noted: "Some countries are consumers while others are transit or producing countries."

Paraguayan Foreign Minister Luis Ramirez Boettner pointed out that, in this struggle, "agreement should be reached among the three areas, involving consumption, production, and transit countries."

Ramirez Boettner explained: "There is no point in repressing producers if consumption increases in the industrialized countries, thus encouraging production. We must struggle against this scourge on the three fronts."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Andean Presidents Send Letter to EU on Tariffs

PA2811033794 Madrid EFE in Spanish 1640 GMT 27 Nov 94

[FBIS Translated Text] Quito, 27 Nov (EFE)—The presidents of the five Andean countries have sent a letter to their European Union colleagues asking them not to undermine the struggle against drug trafficking by limiting in December the tariff preferences they granted to Andean exports, it was reported today.

"The presidents of Bolivia, Colombia, Ecuador, Peru, and Venezuela sent a letter to the EU presidents last week," Bolivian Foreign Trade Minister Mario Reyes, chairman of the Commission of the Cartagena Agreement or Andean Pact, told EFE.

On 26 November in Quito, Reyes presided over an Andean meeting at which a Common External Tariff, which will standarize imports from third nations beginning on 1 February, was signed. This will seal the Andean Customs Union.

The meeting also voiced its concern over a recommendation that the EU Committee of Representatives made to the EU Council of Ministers at the request of France, Great Britain, and Italy.

The recommendation denies another four-year extension of the Generalized System of Preferences, which was established as a contribution to the Andean struggle against drug trafficking. The Council of Ministers will make a decision between 19 and 20 December in Brussels.

"This recommendation is truly infuriating, because it reflects a total lack of understanding of our reality by certain European countries that have lost objectivity and have failed to see the true dimension and repercussions that certain measures could have," Ecuadoran Industry Minister Jose Vicente Maldonado told EFE.

Maldonado added that he will have consultations about the advisability of his traveling to Brussels next week "to convey on behalf of the Andean Pact the concern of our peoples over these ill-conceived measures."

The Andeans also wanted Venezuela to be a full beneficiary of the system "that has not only brought about significant progress in the struggle against the scourge of drugs, but has also encouraged productive investments that will be gravely affected if those preferences are prematurely suspended," the Andean letter stated.

The effects of the preferences on the struggle against this crime "against humanity" are complemented by investments that have created jobs.

The letter added that "it is surprising that they could adopt measures that would seriously damage a group of Andean economies and undermine their efforts to curb drug trafficking."

The Bolivian minister said that the recommendation calls for limiting by one more year preferences for agricultural products and by four years preferences for industrial products, and excludes crayfish, tuna, flowers, and shrimp from the benefits.

The recommendation, Reyes added, "is a mistake, and thus, we urged the Council of Ministers to dismiss it and underscored the need to extend the system without limits or discrimination against certain products."

Reyes pointed out that the preferences were established because Europe became "aware" that drug trafficking "should not be attacked exclusively through repressive means."

"A measure such as this one would create immediate unemployment and would lead to crime," he warned. Reyes, however, admitted that the EU "has a legitimate right to approve the recommendation, because this is not a negotiated system."

The Ecuadoran minister added that the recommendation "contradicts" agreements reached at previous Andean-European meetings, and above all, "and I stress this the most, it also contradicts a political decision adopted by the EU regarding the struggle shared by countries that produce and consume drugs."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Summit Proposal To Combat Money Laundering Approved

PA2811135694 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 28 Nov 94

[From "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] Controlling the multi-million dollar laundering of money earned from drug trafficking is considered one of the most effective means of combating narcotics traffickers in the three Americas.

A document prepared for the upcoming Summit of the Americas in Miami is proposing the creation of an inter-American agreement to prevent and restrict the laundering of drug assets. The text of the document recommends the incorporation of this initiative in the Declaration of Principles that will be approved at the summit, which will be attended by 34 heads of state from Latin America, the Caribbean, the United States, and Canada.

The proposal was approved in Santa Fe de Bogota during a high-level meeting called by Colombia. The proposal is supported by the Caribbean nations and Panama—sites of the so-called banking havens that facilitate the surreptitious movement of astronomical earnings from drug trafficking.

According to Carlos Lleras de la Fuente, Colombia's ambassador to the United States, the proposal is so open-ended it could include industrialized European countries, such as the United Kingdom and Switzerland, whose legislation mandates bank secrecy or establishes banking havens in overseas territories.

[In a related 500-word, Washington-datelined report, Madrid EFE in Spanish at 0050 GMT on 28 November adds: "The Colombian proposal has the support of Chile, El Salvador, the United States, Honduras, Argentina, Bolivia, Brazil, Canada, Costa Rica, Peru, Uruguay, the 13 Caricom," Caribbean Common Market, "island countries, Mexico, Nicaragua, Panama, and Paraguay."]

OAS Chief Against Discussion of Cuba at Summit

PA2411181794 Mexico City NOTIMEX in Spanish 2201 GMT 22 Nov 94

[Report by J. Jesus Esquivel]

[FBIS Translated Text] Washington, 22 Nov (NOTIMEX)— OAS Secretary General Cesar Gaviria believes it is "too soon" to take the Cuban issue to the Summit of the Americas and that the issue deserves special diplomatic treatment.

"Cuba merits diplomatic treatment, but I think it is too soon to take it to the summit for resolution," said the former Colombian president in an exclusive interview with NOTIMEX.

The Summit of the Americas, which will be held from 9 to 11 December in Miami, will be attended by 34 presidents of the continent. The presidents will attempt to define specific programs for democracy, free trade, and environmental protection.

Cuba, which has endured an economic blockade imposed by the United States for more than 30 years, has been excluded from the official agenda, although dozens of Latin American countries are working to have that country reinstated in American forums.

Among his projects as leader of the inter-American system, Gaviria will work for Cuba's reentry into the OAS, the organization that represents the American countries.

In his inaugural speech as OAS secretary general on 15 September, Gaviria said "there is a general consensus to guarantee Cuba's full reentry into the inter-American community of nations."

However, the OAS Secretary General says there will not be time to find a solution to the Cuban issue at the upcoming December summit.

"The summit will concentrate on issues to unite the countries and to prompt collective action rather than on those areas over which there are differences."

For Gaviria, Cuba's place in the context of the American continent is an important matter countries must work to define in the coming years.

According to the OAS leader, such efforts must focus on getting the island "to make economic and political changes that will allow its reentry into the inter-American system."

Gaviria said that although the issue has been excluded from the Summit of the Americas agenda, some presidents will most surely express their points of view on the Cuban issue at the event.

At a special meeting of foreign ministers of OAS member countries in Punta del Este, Uruguay in January 1962, Cuba was suspended from participating in meetings of the inter-American system but was not expelled from the organization.

The United States, an OAS member country, has tried to keep Cuba from participating in forums of the American nations. It is well known, however, that several countries in the region, including Mexico, are opposed to such measures.

"We cannot be unaware of its (Cuba's) fate. We also cannot give an exclusive monopoly of opinion on such issues to those who adduce internal policy considerations," the former Colombian president stated when he took command of his new post.

The OAS stipulates that in order to ensure Cuba's admittance to the democratic system, a mechanism will

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

be required whereby "the changes necessary to democratize a nation" can be established through diplomatic channels.

According to the OAS secretary general, controversial issues such as Cuba should be part of a diplomatic agenda, not just one of the many subjects that have been set aside for decades in the hope that the presidents will solve them in a couple of days.

Gaviria believes that "Cuba must introduce in-depth reforms, in keeping with popular demand, which will lead to the establishment of a pluralist government with public liberties," so it can once again occupy its place in the OAS.

As for other issues to be discussed at the summit, Gaviria told NOTIMEX that trade and the environment will be two topics that will require much evaluation, attention, and planning.

In terms of trade, the politician said he anticipates that other nations attending the summit will be able to formulate specific dates for commercial expansion in Latin America, or that "it will be possible to talk about the beginning of a process" leading to the opening of regional trade. "Any progress in growth, the expansion of free trade, or movement toward a multilateral agreement in America is good news," whether it is part of NAFTA or done through other mechanisms, Gaviria indicated. He believes that any regional free trade agreement, like NAFTA (Canada, the United States, and Mexico) or the Common Market of the South [Mercosur] (Argentina, Brazil, Paraguay, and Uruguay), must include clauses that will allow the integration of other nations.

"Any expansion of current multilateral agreements must seek a convergence until such time that all of them are able to concentrate into a single agreement. That would be the best step in the right direction," he added.

Gaviria also remarked that discussions are expected during the summit about strengthening and redefining the role of the OAS on the American continent as it relates to human rights, democracy, trade, and environment.

The OAS secretary general believes the summit will be "a major receptacle of ideas" that will allow the American presidents to express their support for advancing the American organization in that direction.

"I have no doubt that insofar as the summit promotes the advancement of democracy, the OAS will be strengthened," Gaviria commented.

As a preamble to the Miami meeting, several officials of the Clinton administration—which is hosting the summit—have consulted the attending countries on formulating a document that will include all issues to be analyzed.

The OAS has also been consulted about the document, to be approved or rejected by Summit participants, which will include specific agreements.

"There has been progress in the formulation of the document, and we anticipate that all the issues will be analyzed during the summit in a reasonable manner and guided by the principles of international relations in Latin America," he remarked.

The OAS, Gaviria added, has requested that the issues included on the agenda for discussion by the presidents must respect the right of self-determination and nonintervention but at the same time allow some leeway for joint actions by the American countries.

As an example, Gaviria pointed out that following the reinstatement of Haitian President Jean-Bertrand Aristide, "it is up to all countries and organizations to work toward strengthening democracy in Haiti," thereby ensuring economic progress.

The former Colombian president went on to say that environmental protection is a process that will require more research and specific action.

"Environmental awareness must be acknowledged as a major part of development policies, which is why biodiversity protection, climate changes, and air quality must be dealt with as major issues (during the summit)," he stipulated.

Gaviria also said that one priority topic at the summit will be drug trafficking and consumption throughout the region, since the issue has not been given the "importance it deserves."

"I believe this issue must be given more political significance," he remarked, while pointing to the summit as the perfect opportunity for the American countries to exchange information about their experiences in the struggle against drug trafficking.

Regional Economic System Called Upon To Aid Haiti

FL2411123094 Bridgetown CANA in English 1947 GMT 23 Nov 94

[FBIS Transcribed Text] Port-of-Spain, Trinidad, Nov. 23, CANA—The new deputy permanent secretary of the Latin American Economic System (SELA), Luis Alberto Rodriguez has called on member states to come to aid of Haiti, one of its founding members.

"I would therefore wish to throw out to the representatives here the suggestion that SELA member governments might again wish to solidarise with the government and people of that beleaguered country in the configuration of a structured package of assistance from which it will benefit," Rodriguez said at SELA's headquarters in Caracas following his installation.

He noted that soon after SELA was established in the mid-1970s, it assisted another founding member, Nicaragua which was devastated by an earthquake. "Today, as far as Haiti is concerned, its situation of pressing need

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

is no different from that of Nicaragua," said the former senior Andean Development Bank (CAF) official.

SELA is a regional organisation encompassing 27 sovereign Latin American and Caribbean countries with the purpose of coordinating joint positions and promoting cooperation among its members.

Rodriguez who is fluent in both English and Spanish said he was accepting the new post with the greatest humility.

He suggested several areas of changes for SELA in order for it to respond more effectively to the required imperatives of the fast approaching 21st century. "SELA, must urgently embark on a newly defined stategy of adaptation from the posture of the 70s when it was established into a more dynamic mould, in keeping with the imperatives of the rapidly changing international economic environment," he told a distinguished audience comprising ambassadors of SELA's member countries.

Stating that the much-needed transformation must be membership-inspired and driven, the former Inter-American Development Bank (IDB) official suggested that SELA's new mission should also seek to accommodate private sector involvement.

"To begin with, member governments cannot, as they are doing more and more, embark on privatisation programmes in new evolving economic strategies while simultaneously failing to see in their strategies, a pivotal role at the international organisation level for the very private sector which will no doubt be the primary beneficiaries of privatisation.

"SELA will have to devise new methodologies to tap into these new situations as divestment decisions of its membership continue to be the order of the day," said Rodriguez.

Mercosur Adjusts Key Customs Union Legal Points

PY2811233994 Montevideo BUSQUEDA in Spanish 17 Nov 94 p 41

[FBIS Translated Text] Last week, the Mercosur [Common Market of the South] partners adjusted significant legal points of the customs union that will go into effect on 1 January 1995, including an Asuncion Treaty complementary agreement that will remain effective after the transition period, a requirement of achieving a consensus for all decisions, the Mercosur's legal status, and the Mercosur's institutional structure.

Sources close to the negotiations indicated that, despite the fact that the meeting that ended on 11 November in Brasilia produced a 53-chapter draft, key political decisions must still be made during a presidential summit that will end on 17 December in Ouro Preto, Minas Gerais State.

The organizations with a decision-making power will be the Common Market Council [Consejo Mercado Comun], the Common Market Group [Grupo Mercado Comun], and the Trade Commission [Comision de Comercio]. These organizations will be of an intergovernmental nature.

The Common Market Council will be comprised of the foreign ministers and the economy ministers. It will meet every six months, with the participation of the presidents. Special Common Market Council meetings may also be called.

The Common Market Council will be responsible for making political decisions and will be representing the Mercosur's legal status at the level of international law.

The Common Market Group will be comprised of five-men delegations from each country. It will conduct the activities and implement the decisions made within the framework of the Mercosur agreement.

The Trade Commission, made up of delegations from the Mercosur governments, will monitor the implementation of common trade policy methods, both intra-regional and extra-regional; pass judgment on the implementation of the Common External Tariff; and temporarily mediate in conflicts.

The Joint Congressional Commission [Comision Parlamentaria Conjunta] is another organization that has already been established. It will be made up of representatives from the four congresses. The Joint Congressional Commission's duty will be to speed up the national legislative processes to reconcile the community's legal standards.

The organization handling logistical support will be the Mercosur Secretariat [Secretaria del Mercosur]. It will be headed by a director who will have a two-year term of office with no option or possibility of being reelected.

Right of Veto

The sources indicated that Brazil's unyielding attitude resulted in the acceptance of a proposal that all the decisions made by Mercosur organizations must be based on a consensus, with the presence of all four delegations.

In practice, this decision involves admitting that each partner will have a right to veto decisions that are not shared and force a process of exhaustive negotiations until acceptable compromise formulas are achieved.

It must still be determined if this decision will include the Trade Commission, in which, according to a proposal, decisions could be made on the basis of three votes in favor.

The protocol that will be signed in Ouro Preto will not have a deadline; it will have to be approved by each country's congress, and will become effective 30 days after the Paraguayan Government receives all the documents ratifying it.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Controversial Items

Despite the substantial progress negotiators have achieved thus far, there are still disagreements. These disagreements include the location of organs' headquarters and the constitution of two organizations. Uruguayan Foreign Minister Sergio Abreu told BUSQUEDA that all points requiring high-level political decisions will be dealt with in Ouro Preto.

There is a tacit acceptance of the idea of building the permanent Secretariat in Montevideo, although a formal decision has not been made yet.

Some months ago, Argentine President Carlos Menem offered the little palace used by the old Argentine Embassy in Montevideo for use as Mercosur headquarters, but the offer has not been formally accepted yet.

Uruguay also wishes—for practical reasons—to have the Commerce Commission in the country, but Argentina and Paraguay have similar aspirations.

Paraguay and Uruguay, meanwhile, have proposed the creation of a Court of Justice, but the idea has been repeatedly rejected by Argentina and Brazil. These countries object to the idea of having supranational organizations.

Similar differences surround the creation of a Social and Economic Consultative Commission. This and other discrepancies regarding key commercial aspects will be discussed at the highest political level at Ouro Preto.

State Banks

Meanwhile, in Buenos Aires four state banks signed a cooperation agreement creating a banking network that will be called National Banks of the South (Banasur) [Bancos Nacionales del Sur].

The network involves the Argentine National Bank, the Bank of Brazil, the National Development Bank of Paraguay, and the Bank of Uruguay.

The report says that the banking network will have more than 5,500 branches, and that 4,800 of them will be Bank of Brazil branches.

Andean Pact Countries Agree on External Tariff

PA2811015994 Madrid EFE in Spanish 0254 GMT 27 Nov 94

[FBIS Translated Text] Quito, 26 Nov (EFE)—The integration and commerce ministers of the five Andean Pact countries (Bolivia, Colombia, Ecuador, Peru, and Venezuela) signed today, Saturday, in Ecuador the common external tariff [AEC] that will enter into force on 1 February 1995, when the Andean Customs Union will be created.

Following two days of sessions at a Quito hotel, the 63d session of the Cartagena Accord Commission or the Andean Pact formally signed the AEC, whereby the Andean nations pledge to give equal tariff treatment to 90 percent of their imports, and sealed the event with the applause of the plenipotentiary envoys and their advisers.

The AEC establishes ranges [franjas] of 5 percent for raw material imports, of 10 percent and 15 percent for semifinished products, and of 20 percent for finished products.

The remaining 10 percent of Andean imports will be gradually unified in the next four years to go into the 21st Century with a "perfect" AEC, the ministers noted.

They explained that a special regime was applied for Bolivia whereby the AEC that it will implement will have a "range" from 5 percent to 10 percent, whereas Peru will fully implement its Andean commitments starting in June 1995.

Venezuelan Development Minister Alberto Poletto explained "a simple formula was found that worked, and it allows three countries (Colombia, Ecuador, and Venezuela) to have a list of exceptions" of products on which the AEC will not apply at first.

That list consists of 400 products for Ecuador and 230 products for Colombia and Venezuela.

"That means that those countries can place on the exceptions list a certain number of products for four years and establish for them the tariffs they deem appropriate, but each year, there will a reduction of 50 products," Poletto disclosed.

The ministers also agreed to hold an Andean meeting on 16 December in Lima to establish the guidelines that in the future will allow a broadening of the free trade zone with the four MERCOSUR [Common Market of the South] (Argentina, Brazil, Paraguay, and Uruguay) countries. The expanded Andean market of 100 million persons has grown an average of 30 percent every year thanks to the existence of free trade agreements reached earlier, and it is estimated than in late 1994, it will have made transactions for approximately $3.3 billion. Ecuadoran Industry, Commerce, and Integration Minister Jose Vicente Maldonado said "this historic step means a genuine relaunching of our integration process, and we are headed toward something we aspired to 25 years ago (the Andean Pact was created in 1969), which is to become the Andean Economic Union."

"Our aspiration, of harmonizing this integration process and then MERCOSUR, is to become the South American Economic Union," Maldodo stressed.

His Colombian colleague Daniel Mazuera said, in turn, that signing the AEC "constitutes a fundamental event in the history of the Andean Pact that will mean, first, a very important internal process of revitalization." "A very long, difficult, and complex process that took many years has concluded," he stated, "and we have established a true Customs Union that we could present to the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

world as an example, because countries that have succeeded in unifying their tariffs in over 90 percent of their products may perfectly well show this to the world as a very valuable achievement."

Bolivian Foreign Trade Minister Mario Reyes, who also presided over the meeting, said "this is a historic date for the entire process of Andean integration, because we are fulfilling one of our main objectives: to approve the AEC that will complement the free trade zone, with which we have managed to increase in a rather significantly manner intranational commerce."

Reyes stressed that the "Andean Pact has been one of the major examples of integration in the world," although there were moments "when it seemed that it was falling behind."

ALADI Seeks Convergence of Integration Processes

PY2211154094 Madrid EFE in Spanish 2323 GMT 21 Nov 94

[FBIS Translated Text] Montevideo, 21 Nov (EFE)—On 21 November, ALADI's [Latin American Integration Association] Ad Hoc Group analyzed ways to adapt its organization's mechanisms to the current situation prevailing in the region and in the world.

The Ad Hoc Group, which started a two-day meeting in Montevideo today, was set up by ALADI's Council of Foreign Ministers to fulfill this mandate. It comprises governmental representatives of the 11 ALADI member countries—Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, and Venezuela.

The group is discussing the progress of the integration process and the next steps to be taken in order to proceed to higher stages in the integration process, with a view to establishing a Latin American Common Market—the ultimate goal of the Treaty of Montevideo, which established ALADI.

During another two-day meeting held at ALADI's headquarters in Montevideo last week, integration policy representatives of member countries recommended that concrete steps be undertaken to encourage and support the convergence of subregional and bilateral agreements furthered within the context of ALADI.

The following is one of the conclusions of the meeting, which was presided over by Felipe Jaramillo, the negotiations director of Colombia's Foreign Trade Ministry: "The agreements of the Uruguay Round of GATT talks and the establishment of the World Trade Organization (WTO) constitute a general framework that will facilitate convergence."

The participants urged ALADI's Secretariat to make an in-depth analysis of the studies undertaken this year to identify areas of greater potential for convergence so that governments may take the appropriate measures to move ahead in this direction.

They also deemed it important to follow up, on an ongoing basis, on all of Latin America's integration agreements through the supplying of information and the drafting of a comparative analysis of those integration processes.

According to sources close to ALADI, negotiations on a common legal framework for regional trade, an agreement on trade of services, and an additional protocol for the settlement of controversies were among the other subjects broached at the last meeting, which was held 17-18 November.

Integration ministers or secretaries from the 11 member countries will meet again in May 1995 to assess how the convergence of the region's different integration processes is progressing.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Cuba

Robaina Lists Top Foreign Policy Priorities

PA2911034994 Havana PRENSA LATINA in Spanish 1917 GMT 28 Nov 94

[FBIS Translated Text] Havana, 28 Nov (PL)—Cuban Foreign Minister Roberto Robaina today demanded the right of his country to choose its own destiny without foreign interference.

Speaking at the first meeting of friendship between institutions from the Canary Islands and Havana, Robaina stressed that the Cuban people are working to adapt themselves to the current conditions in a unipolar world, but without losing their sovereignty and independence.

He asserted that Cuba does not intend to copy the neoliberal model; it wishes to develop according to the needs and characteristics of the country in order to maintain our social accomplishments reached during the last few years.

The struggle for the lifting of the U.S. blockade against the island and the democratization of the United Nations are, among others, the priorities of Cuba's foreign policy the foreign minister addressed.

In addition, Robaina rejected the attempts to analyze the situation of Cuba in a place where the government of the island is not present.

Robaina, who will travel to Mexico today to attend the inauguration of Mexican President-elect Ernesto Zedillo Ponce De Leon, answered questions by some of the 76 delegates from the Canary Islands and other places of Spain who are visiting Cuba.

During the second working day of the meeting between Canary Islands and Havana representatives Cuban parliament president Ricardo Alarcon also spoke. He gave a detailed explanation of the work of the people's government organs.

Robaina Leaves for Mexico, Says Ties 'Special'

PA2911041894 Havana Radio Havana Cuba in Spanish 0100 GMT 29 Nov 94

[From the "Evening Information Review" newscast]

[FBIS Translated Text] In Mexico City, Cuban Foreign Minister Roberto Robaina described Cuba's relations with Mexico as special, indicating they will continue to be strengthened with the administration of incoming President Ernesto Zedillo. Talking to the media at his arrival in the Mexican capital to attend the presidential inauguration, the Cuban foreign minister said the two nations are bound by historic ties, which have very deep roots. He said conditions exist in both Mexico and Cuba not only for relations to continue to be strong but to be raised to higher levels through political, economic, and social ties. Regarding the topics that the greater of the Antilles would like to discuss with the new Mexican president, Foreign Minister Robaina specifically mentioned with great praise the growing Mexican investments in important Cuban sectors.

Welcoming Robaina, Mexican Foreign Secretary Manuel Tello said he is confident bilateral relations will continue to develop in a positive manner.

Discusses Possible Castro Visit

FL2911033294 Havana Radio Rebelde Network in Spanish 0000 GMT 29 Nov 94

[Report by correspondent Diosdado Maso on Foreign Minister Roberto Robaina's visit to Mexico City; from the "Exclusive" program—live or recorded]

[FBIS Translated Text] Good evening to all and greetings from Mexico City.

We are only 72 hours away from the transition of executive power here in Mexico. On 1 December, Dr. Ernesto Zedillo Ponce de Leon, president-elect of Mexico, will be sworn into office. Some of the personalities invited to the ceremony have already arrived.

Cuban Foreign Minister Roberto Robaina arrived here in Mexico this afternoon. Upon his arrival, Robaina was questioned by reporters. Robaina highlighted the friendship between Cuba and Mexico:

[Begin Robaina recording] I think that any change in leadership—a new leader to be sworn in, as is now being prepared for in Mexico—signifies a phase that speaks of a new America. I think that in this new America, Mexico is a country that during many... [pauses] independent of internal issues that should be broached only by Mexicans... [pauses] you have been able to find solutions to your own problems, with knowledge and intelligence—I think that in tense, complex situations, not for Mexico but for the whole world—to arrive at a situation the way you have here indicates the stability of a country, which we respect, love, and admire. I believe this is a symptom of the new times that we would like America to live and continue living. I think every Latin American feels that Mexico is special. Cubans feel it is special. The swearing-in ceremony—summing up, society lived through and was aware of this process—is the culmination of one phase and the beginning of another. In any case, this will be a starting point from which new goals will be reached, new goals that—I am observing and I am convinced—the Mexican people will no doubt propose and outline for themselves. [end recording]

Mexican reporters asked Robaina about the reason for arriving before the official delegation. They wanted to know if his early arrival was based on Cuba's need to discuss Mexico's position in the forthcoming Miami summit with Mexican authorities.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Begin Robaina recording] It was not my intention. It depends on flight schedules, possibilities, and on many other things. You arrive early, you arrive on time, or you arrive late. One does not like to arrive right on time because there are many things to see in Mexico. Arrive late in Mexico, never! We have many reasons for arriving early in Mexico. Particularly in Mexico, I assure you, there is nothing we should have to advise each other on regarding a joint plan for Miami. I think Cuba's position on the summit is clearly defined. Mexico's position with reference to the Miami summit is also defined. Mexico has not adopted that position based on what it means for Cuba. Mexico has analyzed this summit, this event, in all its magnitude, and at the proper time, stated its position. It is not up to us to speak for Mexico. We have reiterated many times what this means for Cuba. We have many reasons to distrust a summit that has many things... [pauses] they have proven their incoherence in the convening process. However, I am not here to convince the Mexicans of anything that has to do with preparations for the summit because it is not my place to do so. I have been invited here to a ceremony. You will understand that even during this ceremony, we have a mission in this country: There are a significant number of Cuban workers here with whom we have many things to examine. Therefore, this early arrival does not mean anything special except that arriving early in Mexico, for any reason, is tremendously special for any Cuban. I have that privilege. [end recording]

As on many other occasions, the reporters also spoke about the blockade. They asked Robaina if there were to be talks about the blockade and if Fidel will attend Zedillo's swearing-in ceremony.

[Begin Robaina recording] We will always be discussing the blockade. When someone says it is not on the agenda... [pauses] for us, the blockade issue does not have to be on any agenda. We will speak of the blockade anyplace in the world, wherever there is anyone interested in Cuba's reality, a blockade criminally and unfairly imposed on Cuba. Like many others, our president is invited to the ceremony. He does not lack the desire to come, nor does he lack work—I mean that might retain him in Cuba. Whether he can or cannot come does not depend on his desire to come; it depends on the possibilities that arise at the very last minute. I neither confirm nor deny his participation. I simply would like to participate, along with Mexican society, in the sentiments it is currently feeling about the swearing-in ceremony. Thank you. [end recording]

Helms Appointment Said To Bode Ill for Summit

PA2811174294 Havana PRENSA LATINA in Spanish 0437 GMT 27 Nov 94

["Exclusive" article by PRENSA LATINA contributor Julio A. Machin: "Dark Clouds Loom Over Hemispheric Summit"]

[FBIS Translated Text] From the very beginning, U.S. President Bill Clinton's agenda for the hemispheric summit in Miami, Florida has been loaded with too many ambiguities and not enough concrete proposals to present at this broad assembly of almost all the nations of America.

The imminent appointment of Republican Senator Jesse Helms as chairman of the U.S. Senate Foreign Relations Committee further complicates the predictions about the U.S. delegation's position at the summit.

Helms, who is 73 years old and the son of a former Monroe police chief in the 1930's, is described by his fellow party members as an ultraconservative and difficult politician whose "radical positions" have resulted in serious clashes with even Republican administrations.

He has been a North Carolina senator since 1972, and analysts at THE WASHINGTON POST call him "the avenging angel of the Senate's extreme right."

Cautious, participative, emotional, regionalist, strident, and feisty in his political commitments, Helms has been, throughout his long political career, a defender of causes and very few times a leader. This has allowed him to gain prominence and have a low record of failures in Congress.

The NATIONAL JOURNAL political journal states that "his main weapon has been the Congressional Club," a personal political action organization that lobbies intensely and collects funds for electoral purposes.

According to analysts, "the Republican Party in North Carolina has become a weak appendage of the Club...."

Responding to a very old dispute between the U.S. Government and Congress regarding the control of one over the other, the revitalized North American rightist sector in the 104th Congress will attempt not only to increase its control in both houses but also to strengthen its influence over the executive with vigorous and persistent legislative work.

This is the way the Senate's Foreign Relations Committee will operate. Outgoing Chairman Claiborne Pell is already being accused of and held responsible for the Committee's steady loss of influence in U.S. foreign policy. Jesse Helms is being appointed chairman of the Foreign Relations Committee at a time when conservatism is beginning to hold more weight than the pragmatism of a new political era. "A man—concludes a profile by THE WASHINGTON POST—who has stressed...domestic issues and who is a fervent critic of the State Department and foreign aid will probably be the biggest thorn in Clinton's side when it comes to foreign policy...."

Helms intends to pound the executive's management of U.S. foreign policy with his tendency to criticize both the good and the bad. The senator himself said shortly after

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

his appointment that the "committee will have to be more aggressive and thorough...."

"In the next two years there will be a serious reevaluation of U.S. foreign relations with the United Nations, a reduction of foreign aid, and current and proposed treaties will be critically reviewed," he said.

Helms, who has been an ultraconservative for most of his 73 years, will represent for the Latin American presidents an omnipresent ghost, in every sense of the word, haunting their important relations with the United States.

If the legislator does not change his announced philosophy, economic aid to the region will be more illusive, agreements will be more uncertain, and the aspirations of many Latin countries to join NAFTA will grow distant, at least for two years.

"Jesse Helms—the NATIONAL JOURNAL asserts—is a pessimist with an apocalyptic vision of almost everything that happens. His conservative premise is based on force, not on conciliation, and he considers Third World countries 'morally evil technocracies, not friendly rivals."

With this legislative debut, Clinton can sense that the Senate will install a barrier of contention against any initiative for cooperative efforts or foreign aid.

"It is very unlikely that a person who is opposed to food stamps for his needy fellow citizens will favor a program that benefits the region," experts on the U.S. political system have stated.

Based on this line of conduct, Latin American countries cannot expect Helms to be friendly in furthering favorable relations with the United States, unless they consider well-known disclosures of secret reports from federal agencies to be beneficial. He has been accused of doing just that when reports were leaked on the CIA's secret aid to the Salvadoran Armed Forces during the civil war in that country and on an assessment stating that Haitian President Jean-Bertrand Aristide had mental problems.

Although Vice President Al Gore asserted at a recent OAS meeting that "the fast-track [previous two words in English] legislation, the Uruguay Round, and the establishment of a hemispheric free trade zone will be approved by Congress," Clinton is fully aware of the difficult situation at hand and will moderate his discourse at the summit even more, trying not to promise things that he knows will be stopped by the legislative filter.

Experts further predict that the White House's enthusiasm for the hemispheric summit will dwindle in the same measure that Helms, as president of the Senate Foreign Relations Committee, keeps his promises, and the integration hopes of many countries in the region will begin to vanish in the vacuum produced by the renaissance of U.S. conservatism in Congress.

Guantanamo Refugees Granted Asylum in Venezuela

FL2911023094 Havana Radio Rebelde Network in Spanish 1800 GMT 28 Nov 94

[From the "National Radio News"]

[FBIS Translated Text] Unofficial sources in Caracas stated on 28 November that over 100 Cuban refugees at the Guantanamo Naval Base, including 50 minors, will be given asylum in Venezuela.

These people comply with the provision of having relatives in Venezuela, and will therefore not be an economic burden to the Venezuelan Government. However, the applications of another 25 family groups were turned down because they did not comply with this provision.

Castro Receives Party Delegation From Vietnam

BK2811143794 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 28 Nov 94

[FBIS Translated Text] A Communist Party of Vietnam delegation led by Comrade Truong My Hoa, secretary of the party Central Committee, paid a friendly visit to Cuba from 16-26 November at the invitation of the Communist Party of Cuba [PCC] to attend the international conference on solidarity with Cuba in Havana.

The Vietnamese party delegation was cordially received by Comrade (Maria De Los Angeles), member of the PCC Central Committee Political Bureau. It also held talks with Comrade (Menda Fernandez), member of the PCC Central Committee, on relations between the two countries and parties.

The Vietnamese delegation visited a number of provinces, called on various economic and tourist establishments, and attended a meeting in solidarity with Vietnam.

The Vietnamese delegation was cordially received by Fidel Castro, president of the Cuban Council of State. He highly appraised the Vietnamese delegation's contributions to the conference.

On this occasion, Minister Tran Thi Thanh Thanh, chairman of the Vietnam-Cuba Friendship Association and member of the Vietnamese party delegation, held a working session with the Cuba-Vietnam Friendship Association in Havana.

Solidarity Order Presented to Mexican Navy Secretary

FL2811152494 Havana Radio Rebelde Network in Spanish 1000 GMT 28 Nov 94

[From the "Doing Radio" program]

[FBIS Translated Text] Admiral Luis Carlos Roano, Mexican secretary of the Navy, has been presented the Council of State's Order of Solidarity. The resolution

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

granting the order, signed by Cuban President Fidel Castro, states that the order was presented to the Mexican admiral for his efforts to promote Armed Forces' relations and his repeated expressions of friendship and solidarity. The presentation of this high honor was made by Cuban Ambassador Abelardo Curbelo, who recognized Roano's contributions to joint oceanography research and other sectors as the basis for the award. The presentation, at Mexico City's Cuban Embassy, was read by Naval Attache Captain Armando Ojeda Bartomeu. Diplomats and Mexican Navy representatives were in attendance. Admiral Luis Carlos Roano responded that it was a great honor to receive the order, which he described as an expression of the outstanding relations, past and present, between Cuba and Mexico.

Romanian Ambassador Urges Revitalized Ties

FL2911024194 Havana Radio Rebelde Network in Spanish 1800 GMT 28 Nov 94

[From the "National Radio News"]

[FBIS Translated Text] (Petre Sadulescu), Romania's ambassador to Cuba, has granted a press conference to Cuban reporters on the occasion of Romania's national holiday on 1 December.

The ambassador provided information on Romania's achievements and stance in national and international politics during recent years. He highlighted the traditional relations held with Latin American countries, with which Romania has affinity in language, civilization, and culture. In addition, the ambassador stressed the possibility of revitalizing relations with Cuba, of finding ways to expand bilateral trade.

[Begin Sadalescu recording, in Spanish] In this spirit, Romania signed an agreement in Havana in September 1992, stipulating that Cuba and Romania would take action to establish new forms of economic and financial cooperation. Also, Romania's government decided this year to continue cooperation, with equipment and materials, in building the nickel plant of Las Camariocas.

In addition, there were consultations in Bucharest between the representatives of the two Foreign Ministries in September of 1993, and a growing volume of bilateral trade has been observed in recent years, which will reach over $25 million in 1994. [end recording]

Belgian Diplomat on Current State of Economy

95CA0023A Brussels FINANCIEEL-EKONOMISCHE TIJD in Dutch 6 Oct 94 p 4

[Report on interview with Werner Claes, commercial attache at the Belgian Embassy in Havana, by Felix De Witte, in Havana; date not given: "'Cuban Reforms Too Slow and Too Limited'"]

[FBIS Translated Text] Havana (tijd)—"There is very little chance that a rebellion in the streets will bring Fidel Castro down. Social inequities and dissatisfaction are certainly growing but, in order to avoid problems with the government, Cubans do not express this in the form of protests—they are indeed too busy making ends meet." This is the opinion of Werner Claes who knows the island quite thoroughly after serving in Havana for five years as the commercial attache at the Belgian Embassy.

"Fidel controls virtually everything from the Army to the labor unions. There are no alternative centers of power. There is no chance at all that a local Lech Walesa could arise and the same holds true for the danger that 'contras' (rebels) could invade the country as was the case in Nicaragua because Cuba is an island. The inhabitants are also instilled with the fear that a change in power would result in chaos such as in Romania or Russia. Fidel has retained some of his charisma.

"Many Cubans realize, however, that they are taking the longest route from capitalism back to capitalism—namely, via socialism. For the older people the current reforms come too late—they are, after all, unable to earn money any more. They want the system with its free health care to be maintained. The younger people, and the better educated in particular, are striving for change. Even the younger revolutionaries want that in defiance of the old guard. More and more prerevolutionary phenomena are cropping up again. Wearing a flowered shirt is once again a status symbol and crime is gradually increasing. More beggars are showing up as well—caused by sheer poverty. Racism is worse here than in Belgium. The mentality has changed little since the revolution—or sometimes it has changed for the worse. Cubans became used to doing nothing—their overly generous social services took care of everything. That is changing now."

Claes puts the oft-lauded social services into perspective: "Schooling is a purely technical and quite limited training. Good doctors conduct the most involved operations in modern hospitals but there is a severe shortage of basic medicines and ambulances. Medical care is poor unless one has connections. Although there is no party cadre here that is swimming in luxury, egalitarianism is on the decline. Whoever earns dollars at present is wealthy. A hooker can earn in one evening the income that an honest worker would have to slave an entire year for. Prostitution is flourishing." Havana is becoming the Bangkok of America—a paradise for foreign sex tourists. When a pushy black guy in the bar of the Lincoln Hotel asks us to change a 20-dollar bill for two 10's, Claes makes the ironic remark: "Which his sister has just earned."

Libreta

Earning supplemental income off the books is not an excessive luxury. Claes: "If the black market were to disappear, Cuba would starve to death. Even everybody who supports the regime buys on the black market. You cannot live on the 'libreta' (ration book). The libreta includes only rice, beans, and some other scarce foods—

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

less than the minimum calorie standard. Many Cubans eat once a day. People with beer bellies have disappeared—among other reasons because they now have to ride bicycles due to the shortage of buses and gasoline."

Shortly after this interview, the Cuban government decided to apply the rules of supply and demand in stages to a number of products on the agricultural market as of 1 October. State enterprises and cooperatives have to continue to sell a portion of the harvest to the government at fixed prices but are allowed to dispose of the rest (just as private enterprises and individuals are) on the market at free prices with the proviso that taxes are paid. The purpose of this is to increase agricultural production and to eradicate the black market. "In 1986 Cuba did away with the free farm market that it had introduced in 1980 because the farmers were becoming too rich and were creating jealousy among their neighbors," Claes explains. "The result is that farmers continue to earn fortunes but now do so illegally. They travel to Havana with a bag of onions and illegally slaughter."

In September 1993 Fidel legalized the possession of dollars and about 150 private occupations. "Even he was shocked by the effect," according to Claes. "For a time there were more entrepreneurs but then the state intervened against the flower vendors, taxi drivers, and restaurateurs. The government is letting thousands of civil servants go but is squelching private initiative. The police overlook some marginal business activities—such as Cubans who offer tourists a meal in their own homes for a dollar. The government does not permit any private competition for its own sources of dollar income. Cubans, however, want to earn dollars for themselves as well. Monthly wages vary between 100 and 500 pesos whereas 100 pesos barely get $1 on the black market. Tax on wages is thus uninteresting but on black market sales it is indeed worth the trouble." Fidel has realized that meanwhile and as of 1 October things will have reached that stage.

Bonuses

In view of the extremely low official wages, it is no wonder that work discipline is terrible. "As soon as no one is looking, a worker does nothing. In the countryside only revolutionaries remain in the fray but the rest moved to the city. Many complain the whole day but continue to work for the bonuses in dollars (the embassies began this practice), the free bicycle, the prestige, the travel and other advantages in kind that a steady job entails.

"The economic reforms are occurring at much too slow of a pace and their effect on the populace is small. Cuba would be able to give a signal to foreign investors. China has already allowed in many multinationals and has given much leeway to private initiative, yet Fidel prefers to avoid any risk in advance: He is afraid that foreign investors are going to dictate terms he refuses to talk with capital-rich Cuban emigrants in Florida. Now wretched little rafts continue to define the image of Cuba abroad. Cuba is not an interesting market per se because it is in a poor region. It will only be interesting for foreign investors if it establishes good relations with the United States, an enormous market. Puerto Rico and the Dominican Republic have assumed that role, but Cuba has potential: Its GNP per capita in 1958 was greater than that of Spain."

Things will perhaps wait until the American trade embargo against Cuba is ended. "That embargo does not help anyone one bit and is full of holes. Mas Canosa's Cuban-American National Foundation (FNCA) in Florida supports the embargo and determines Clinton's Cuba policy. Washington will not lift the embargo until it sees real economic opportunities for profit—such as in Vietnam and China. Cuba can take an initial step in that direction."

The reconciliation, however, does not yet appear to be around the corner. At the initiative of the FNCA, in August Clinton forbade Cuban immigrants from continuing to send dollars to their families in Cuba. "That will cost the island $150 million per year. Hard currency income from sugar is declining faster than income in other sectors is rising. Biotechnology is progressing outstandingly but has a difficult market. Cuba receives some 700,000 tourists per year in contrast to the Mexican seaside resort of Cancun that by itself has already achieved a rate of 2 million annually."

Belgians

"Officially, only 3,000 to 4,000 Belgians visit Cuba annually despite the fact that Cubana Airlines flies into Brussels and VTB-VAB [Flemish Tourist Union-Flemish Automobile Club], Neckermann, and Sun International arrange trips. It is primarily Belgians with political and cultural interests who come over. The Dominican Republic is cheaper for tourists seeking beaches. Cuba is expensive and not uncomplicated. Belgium is not investing in Cuban tourism—Belgians are not investing in any sector at all, by the way." The sole exception is the famous businessman Cardoen, who some years ago became mixed up in a weapons smuggling scandal in Chile. He has invested about $20 million in the Cuban fruit sector. "Janssens Pharmaceuticals supplies medicines from its branch in Mexico. It must indeed request in writing permission from Washington to do so in view of the fact that Janssens is a part of the American group Johnson & Johnson."

"Belgian exports grew vigorously last year to 1.8 billion [Belgian] francs [BFr], of which two-thirds was milk powder that was apparently shipped via Antwerp as emergency relief after the storm destruction in Cuba. Other exports are stagnating: a little machinery, chemicals, and paper. Big businesses are staying away as a result of the bad memories of the 1970's. It is primarily small and mid-size companies that come to see whether they can snap up a little piece of the hard currency sector—like BDC, which supplies material to biotechnology and tourism.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

"Payment by Cuba remains the central problem. In the case of investments, Cuba provides the building and a cheap labor force as its contribution. It also offers sugar in exchange for Spanish and French credit. Cuban debts to Belgium have stagnated at approximately BFr3 billion for years. Guarantees are no longer extended to ensure exports to Cuba and the island does not conduct negotiations with either Belgium or the Club of Paris.

"Cuban exports show just as little movement, amounting to around BFr100 million—primarily tobacco and rum. In order to equalize the balance of trade somewhat, Belgium would have to come over here and go into production. The UK minister for foreign trade [sic] is visiting here this week. France and the Netherlands also dispatch trade missions but the Belgian government has not shown up in years and there are no plans for a visit. Brussels acts as if Cuba did not exist."

Refugees

Yet in 1993 the Belgian representative to the United Nations dared for the first time to vote against the American trade embargo. Cuba was also pleased that the Belgian ambassador stubbornly refused to issue visas to the more than 100 Cubans who occupied his residence in Havana for a good month this spring. Just a few months later Washington was to follow the Belgian example and call a halt to the illegal refugees. "The refugees fleeing in boats will never legally acquire a visa for the United States because they are mostly younger people with a criminal record or without an education who do not meet the strict United States criteria. They are prepared to give up their jobs and all their possessions here but they know that from now on they will find themselves in the same boat as the Haitians who are always sent back," Claes concludes.

ANPP To Debate Bill on National Assembly Operations

FL2811222094 Havana Radio Rebelde Network in Spanish 1800 GMT 28 Nov 94

[From the "National Radio News"]

[FBIS Translated Text] The bill on the organization and operation of the National Assembly of the People's Government [ANPP] aims to improve the organization and operations of the bodies of the People's Government and also possibly introduce parliamentary practices to better fulfill the attributions conferred on the ANPP.

This bill will be among issues the deputies will debate during the second regular session of the ANPP on 20-21 December. The text of the bill covers practices, structure, procedures, deputies' rights, and everything included in the ANPP's organization and work.

Many foreigners, as well as Cubans, when speaking about the work of the ANPP, refer only to the two annual sessions. However, the ANPP temporary and standing commissions protract the work of the ANPP throughout the year.

The bill states that the commissions have the help of the ANPP and the state in the overseeing of state and government bodies and the drafting of bills and accords, as well as making decisions on issues brought before them, and in conducting whatever studies they deem necessary.

The bill adds that the commissions can call for public hearings, which should be announced ahead of time, on issues within their capability and can summon people or organizations familiar with the issue. This is one of the forms the work of the commissions take. However, there are many others that protract the work of the ANPP throughout the year.

Havana Province Farmers Markets Report Positive Results

FL2911023194 Havana Radio Rebelde Network in Spanish 1800 GMT 28 Nov 94

[From the "National Radio News"]

[FBIS Translated Text] Farmers markets in Havana Province have had positive results during their first month of operation. Through 30 October, 6.316 million pesos accrued from the sale of 24,067 quintales of agricultural products.

Alain Pena, official of the provincial directorate of trade, announced that the government has collected over 56,000 pesos from the rent of tables and space in the farmers markets. The largest sales have taken place in San Jose de las Lajas, Artemisa, Guines, and Santa Cruz del Norte Municipalities. Additionally, the products that sold best were the yams, corn, casaba, pumpkin, plantain, and fruits.

Farmers markets operate on a self-sufficient and self-financing basis. Currently, most enterprises and state farms, Agricultural-Livestock Cooperatives, UBPC's, Youth Labor Army farms, credit and service cooperatives, and self-sufficient work centers have incorporated in the farmers markets in Havana and Havana City.

CTC Backs Market Mechanisms in Sugar Harvest

PA2811212394 Mexico City NOTIMEX in Spanish 1607 GMT 28 Nov 94

[FBIS Translated Text] Havana, 28 Nov (NOTIMEX)—According to official sources, the Cuban Workers Federation (CTC) today expressed its support for implementing market mechanisms such as buy-sell contracts during the sugar harvest beginning on 1 January.

To guarantee the success of the sugar harvest and production for the 1994-1995 period, the CTC also urged that the position of the all-powerful "field inspector" be restored and that "separate financial incentives" be

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

given as rewards for the most outstanding performers in the country's leading industry.

In an editorial of its official mouthpiece, TRABAJADORES, the CTC—the country's only labor union—called for "technological discipline to be rescued," and it conceded that aside from material hardships, "there is much shoddiness" in carrying out each Cuban harvest. In this regard, it agreed with criticisms made by the Union of Young Communists the day before in the weekly JUVENTUD REBELDE against "the incompetence of some of our cadres (leaders)" during the past harvest.

TRABAJADORES stated that during the past harvest, in which Cuba obtained its lowest production in more than three decades (4 million tons), 10 percent of the sugarcane milled was "dirt, hay, and scraps."

The duties of the "field inspector," who will be subordinate to the CTC director, will reportedly include supervising the harvest, programming, ensuring freshness of the product, unscheduled burnings of the fields, and even stopping the harvest "when disorder is intolerable."

Experts recalled that before the government of Fidel Castro took over in 1959, the foremen—the right-hand men of private owners of the sugar mills—performed those duties.

TRABAJADORES pointed out that thorough buy-sell contracts must be established in this effort between industry and agricultural enterprises, including state-owned enterprises, cooperatives, and private farmers who sell sugarcane to the state.

According to the weekly, contractual relations and financial incentives will lead to abandoning old bureaucratic practices and moving onto "paths that are more in tune with Cuba's current situation and the foreseeable future of the sugar economy."

New Telecom Facility Receives 'Finishing Touches'

FL2911031394 Havana Radio Reloj Network in Spanish 2046 GMT 28 Nov 94

[FBIS Translated Text] In Guantanamo, a new facility of Tele Centro Sol Vision will be inaugurated shortly. The facility is the first of its kind in Cuba—constructed entirely by the Revolution—and is equipped with modern equipment, thereby increasing the quality of transmissions.

The facility is situated near the Mariana Garjales Plaza and is currently receiving the finishing touches to its construction. Its equipment, purchased in Japan at a cost of nearly $500,000, is now being installed. This investment is part of the program aimed at developing communications and reducing the areas where there are no signals in the mountains, but where there are radio transmitters and television relays. In the new facility there is an area for the production of programs, and these relays can be established with areas within this eastern province.

Nuclear Equipment Project Coordinator Interviewed

FL2911024294 Havana Radio Rebelde Network in Spanish 1255 GMT 28 Nov 94

[Report on interview with Jose Ignacio Muniz Sanchez, coordinator of the Arcal II project, by Eva Alvarez; date and place not given; from the "Doing Radio" program—recorded]

[FBIS Translated Text] [Alvarez] Sixteen Latin American nations have participated in the closing session of coordinators of the Arcal II project on nuclear equipment issues held in Cuba over the course of a week. Jose Ignacio Muniz Sanchez, coordinator of the Arcal II project in Cuba, is here with me.

First of all, I would like to know about the support the International Atomic Energy Agency [IAEA] has given Latin American nations through this project.

[Muniz] Since 1987, the IAEA has given direct financial support to this project and has provided expertise. I believe that one of the important contributions is the $103,000 annual allotment that will run from 1994 to 1997, for technical training, equipment maintenance, and development of new products.

[Alvarez] Are there any training centers in Cuba?

[Muniz] Not at the present time. At this meeting we proposed the establishment of training centers in Cuba, possibly in 1997, for industry-related equipment.

[Alvarez] Where are the existing centers?

[Muniz] There is one on multi-channel analyzers in Brazil; one on gamma ray chambers in Colombia; and one on semiconductors in Mexico. Next year Cuba will begin to participate, as stated.

[Alvarez] Then, Latin America is making progress in respect to nuclear equipment?

[Muniz] I believe so. Progress is evidenced by the fact that in 1987 when the project was created, we were thinking only about repairs and maintenance, and now we are discussing new development of small production facilities.

[Alvarez] Thank you very much.

The Arcal II closing meeting evaluated the progress of the project's second phase: The road to the development of nuclear equipment.

Middle Schools Converted Into Agricultural Communities

FL2911022994 Havana Radio Rebelde Network in Spanish 1800 GMT 28 Nov 94

[From the "National Radio News"]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[FBIS Translated Text] The process of converting rural basic middle schools into agricultural communities has began in Jaguey Grande Municipality, Matanzas.

Juan de Matas Reyes Middle School has been the first in Cuba to be transformed into an agrarian workers' community. The teachers' wing and dorm rooms have been remodeled into comfortable two-, three-, and four-room apartments by workers of the maintenance brigade and builders of the people's government. The kitchen and dining area have been turned into store, post office, day care center, and elementary school.

The job of converting a middle school into highly comfortable homes has been complex, with sometimes almost 500 workers and construction organizations participating in the process. The idea of converting rural schools into homes came as a result of the national reduction in the number of middle-school students, who in recent years have worked on the farms where those middle schools were located.

Inter-Caribbean Affairs

Caricom Secretariat Prepares for Miami Summit

FL2811165794 Bridgetown CANA in English 1454 GMT 28 Nov 94

[By Rickey Singh]

[FBIS Transcribed Text] Bridgetown, Barbados, Nov.28, CANA—The Caribbean Community (Caricom) is "cautiously" ready to address some 15 subjects within a three-part format of key agenda issues as hemispheric leaders meet between December 9-11 at the U.S.-organised Summit of the Americas in Miami, according to the Caricom Secretariat. The three-pronged agenda approach, that involves six hours of "closed working sessions" on December 10 and a day-long plenary meeting the following day will cover: "Trade and Economic Integration", "Democracy and Good Governance" and "Sustainable Development".

The Barbados-based Caribbean Policy Development Centre (CPDC), which has been involved in some of the preparatory meetings for the summit, has circulated to Caricom governments concerns from the perspective of the community of non-governmental organisations (NGOs) on the draft "Declaration of Principles" and "Plan of Action".

As Caricom governments await final responses from the USA to suggested participation arrangements and amendments to the draft "Declaration of Principles" and "Plan of Action", the Community's Secretary General, Edwin Carrington, told CANA: "It is now very much up to the United States government...to ensure its success by the quality of leadership it is prepared to offer, the flexibility it adopts on key issues on proposals we in the Caribbean as well as some of our Latin American neighbours have already submitted for consideration".

Following the November 17-18 informal summit of Caricom heads of goverment in Jamaica and the subsequent November 24-25 meeting in Dominica of leaders of the seven-member grouping of Organisation of Eastern Caribbean States (OECS), Carrington said he was "more hopeful" about the likely outcome of Summit of Americas than he was "up to just over a week ago".

He quickly cautioned: "I must, nevertheless, emphasise that President (Bill) Clinton's administration cannot be under any illusions about our reservations on vital trade and debt issues, especially our banana exports and the current differentials in the economic playing field".

Carrington said he expected "a full house from Caricom" for the summit in Miami, but this was also linked to "the timing and positive nature of a response some Caricom leaders, particularly from the OECS subregion, are expecting from the USA".

Among those now expected to be in the line-up for brief bi-lateral meetings with President Clinton, will be prime minister Dame Eugenia Charles who had warned that if the Americans were not prepared to discuss the future of the region's banana trade, she would boycott the "Miami Summit".

Therefore, from President Cheddi Jagan of Guyana to the Chief Minister of Montserrat, Reuben Meade, the Community's heads of government should all be in Miami by the evening of Thursday, December 8 for the three-day Summit of the Americas.

Carrington, however, told CANA: "My assessment for the summit is one of cautious optimism. It is partly based on recent correspondence involving President Clinton and some of our OECS leaders on trade matters, especially the safeguarding of our banana exports to the European market..."

Carrington said it was essential for the USA which, for more than six years now, has had a trade surplus with the Caribbean of approximately US 1.6 billion dollars, to appreciate the critical importance of Caribbean banana exports to Europe under concessionary terms within the framework of the Lome Convention.

The issues of particular concern to the 21-year-old 13-member Caricom with a market of less than six million, a significant debt burden of some US10 billion and unemployment varying from 16-35 percent, include:

- Free trade with concessionary terms that address the reality of "inequality" or "differentials" in the economies of the member countries of the hemisphere;
- Debt relief, transfer of financial resources, and the illicit arms trade and drug-trafficking.

The arms trade within the region and the hemisphere in general has been suggested by Caricom for inclusion in the earlier proposal by the USA on co-operation arrangements on drug-trafficking and money laundering.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Caricom has also called for a meeting at Foreign Ministers level on December 7 to ensure "the clearest possible understanding of arrangements for participation and the processes to be pursued in dealing wit' the now-adjusted draft agenda" for the summit from which Cuba is the only country excluded.

Private bi-lateral meetings between President Clinton and each visiting head of state or government will on December 10 precede three two-hour closed working sessions.

It is expected that the four-page "Declaration of Principles" and a 16-page "Plan of Action" will be approved at the plenary session of the final day.

Eastern Nations' Leaders Discuss Economic Issues

FL2511223894 Bridgetown CANA in English 2029 GMT 25 Nov 94

[FBIS Transcribed Text] Roseau, Dominica, Nov. 25, CANA—Organisation of Eastern Caribbean States (OECS) heads of government meeting in Dominica have been taking a critical look at their economies.

OECS Director General Dr Vaughn Lewis told CANA Friday that of concern to the Caribbean leaders were the effects of the decline in the banana industry in the Windward Islands. "There is some concern that within the global recession and particularly within the Caricom (Caribbean Community) recession, of course, within the process of liberalisation, that our economies are at something of a disadvantage, even vis-a-vis the larger economies of the Caricom region right now," he said. "We are opening our economies, but the rates of exchange are so disadvantageous to us within Caricom that this obviously has an effect on us."

The meeting here has been taking place against the backdrop of concerns about the future of Caribbean banana exports to Europe.

Lewis said "there is much concern on the part of the United States with the European (import) regime relating to bananas". He said that "reflects a wider concern as between Europe and the United States on the question of protectionism".

It was worrying, he told CANA, that bananas had not now only been moved into the General Agreement on Tariffs and Trade where the islands felt there was some degree of resolution, but the matter was also now the subject of major complaint by United States interests. "From that point of view the heads of government looked at the question of really what are the relationships now between ourselves and the United States in terms of economics," he reported.

The heads of government at their Friday session, were due to focus on legal matters and issues relating to cooperation in the fields of law and order and security. Tourism and trade liberalisation have been discussed by the Caribbean leaders, who were concluding their discussions Friday.

Ambassador Rejects Chiquita Petition

FL2811001294 Bridgetown CANA in English 1718 GMT 27 Nov 94

[FBIS Transcribed Text] Roseau, Dominica, Nov 27, Cana—The Organisation of Eastern Caribbean States (OECS) ambassador to Brussels, Edwin Laurent, has decried a petition by American fruit buyers, Chiquita, requesting the United States government to work to reverse regulations protecting the Caribbean's banana exports to Europe.

Laurent, who was in Dominica last week for the OECS Heads of Government meeting, said the removal of this protection would mean a collapse of the Windward Islands' banana industries.

"If the petition was to be successful and the U.S. was to take such action, what this would mean for us is that we would not be able to export our bananas to the European Union—this is our only market; we have no other," said the diplomat.

"It would be an extremely horrendous situation ... That is the consequence of adoption of the petition. We therefore would hope that the United States Government would consider this matter very carefully," Laurent remarked.

Earlier this year, Chiquita had outlined an eight-point proposal to the the prime ministers of the four Windward Island banana-producing countries requesting its involvement in the industry.

The proposal included an offer to take over from the British multinational Geest as distributors of Windward Island bananas in the European Union. But Laurent contends the petition circulated by Chiquita was based on a series of "half truths" and "completely outrageous positions."

"We also think it is unacceptable that the largest banana company in the world should target four vulnerable and small countries such as ours in order to ensure it increases its market share in Europe," the OECS ambassador lamented.

Laurent's statements follow similar sentiments by Dominica's Prime Minister Dame Eugenia Charles who has threatened to boycott the December 9-11 Summit of the Americas if the problems facing the island's banana industries are not included on the meeting's agenda.

Haiti

U.S. Officials' Comments on Disarming Cited

FL2811204594 Port-au-Prince Radio Metropole in French 1145 GMT 28 Nov 94

[FBIS Translated Excerpts] The United States reacted coldly to the demand by President Jean-Bertrand Aristide that U.S. troops disarm the armed bands in Haiti.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

As the departure of U.S. troops and their replacement by UN troops becomes imminent, Defense Secretary William Perry commented during a televised interview on the U.S. NBC network: It is not an easy task that is being asked of us.

The head of the Haitian state expressed concern that Operation Uphold Democracy will not completely fulfill its mission if supporters of the former military regime, attaches, and soldiers are not disarmed. [passage omitted]

Perry pointed out that U.S. soldiers have already seized 14,000 weapons and that during a recent operation, just one weapon was discovered. He added that it was not obvious, therefore, that many weapons remain in the country.

Future Senate majority leader Bob Dole, on 27 November, demanded the immediate withdrawal of U.S. troops from Haiti, categorically rejecting the request by President Aristide for disarming the armed bands. [passage omitted]

Bob Dole stated, quote: Let us leave the Haitian police to do the job of disarming, unquote.

Foreign Minister To Address UN General Assembly

FL2811205894 Port-au-Prince Signal FM Radio in French 1130 GMT 28 Nov 94

[FBIS Translated Text] The UN General Assembly will meet today. Mrs. Claudette Werleigh, minister of foreign affairs for the Michel government, will address the UN tribunal on the evolution of the Haitian situation since the return of President Jean-Bertrand Aristide on 15 October. Werleigh left Haiti for Washington on 23 November to plan her speech, which is aimed at providing for the numerous improvements essential for Haiti's economic boost. Let us point out that it will be the first intervention by a member of the Michel government since the restoration of President Aristide. One week earlier, the UN secretary general visited Haiti and promised to motivate the international community to relaunch the democratic process.

Lakhdar Brahimi left Haiti on 25 November to inform Mr. Ghali of the damages caused by the latest storm, Gordon. According to a note issued by the Ministry of Foreign Affairs on 23 November, Mrs. Werleigh will also be traveling to Mexico to attend the installation ceremony for the new Mexican Government.

Funding Expert Describes Foreign Aid Problems

FL2811201594 Port-au-Prince Signal FM Radio in French 1130 GMT 28 Nov 94

[FBIS Translated Excerpt] Haiti has been having trouble getting international aid ever since President Jean-Bertrand Aristide's return. Gerard Latortue, a former UN Organization for International Development [ONUDI] employee, believes the slowness of the sponsors' loans to the country is linked to the nonexistence of worthwhile projects aimed at absorbing the aid. Responding to Signal's questions, Latortue said he is convinced of the international community's willingness to participate in Haiti's development.

[Begin Latortue recording, in Creole] You should not just sit and expect foreigners to bring you money. That is not the way it is done. I would like all the people listening to me on the radio to understand this. I would not like them to say in the future that the United States said it would give money, but that it gave nothing; that France said it would give money, but gave nothing; or that the United Nations said it would give money, but that it gave nothing. No! The United Nations, the United States, Canada, and France may have told you: We are ready to help in the social field, in the economic field, in a specific field.

Then, we, Haitians... [pauses] There must be within the Haitian Government an institution in charge of preparing projects. If they do not know how to prepare them—there are technicians who can prepare them—they should look for a consultant who can come and prepare projects for them. Then, the projects are submitted to the agent who said he was ready to help. This is the way it is done everywhere. This is my profession, the field in which I was working. Money goes where there are programs and projects. Even if they promise you millions, if there are no programs and no projects, you will not actually get a quarter. [passage omitted] [end recording]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

PGR Finds 'No Evidence' Linking PRI to Cover-Up

PA2811174094 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 28 Nov 94

[From the "Early Morning" newscast]

[FBIS Translated Text] The results of a review of the evidence presented by Mario Ruiz Massieu were submitted to the Attorney General's Office [PGR] between 1800 and 1900 on 27 November. The review concluded that there are no elements supporting the charges made by the former deputy attorney general against Ignacio Pichardo Pagaza, Institutional Revolutionary Party [PRI] National Executive Committee president, and Maria de los Angeles Moreno, PRI secretary general. Following is a summary of the communique issued by the PGR:

It was found that there is no sufficient evidence against Attorney General Humberto Benitez Trevino. The document alluded to Mario Ruiz Massieu's charge of collusion and indicated that the Penal Code does not specify collusion as a crime.

Among the evidence included in the file, there are 13 pages, including certified photocopies, on which the signature of Manuel Munoz Rocha supposedly appears. Experts agree that the signature of the mastermind of the assassination is authentic. The file also contains several newspaper clippings.

The bulletin issued by the PGR also explained that the white paper Ruiz Massieu presented on 23 November, the document on which the former deputy attorney general has based his charges, contained no evidence supporting the accusations against the prominent Mexican political personalities.

According to the PGR communique, Inspector General Jose Davalos affirmed before a notary public that the file and the evidence submitted comprise all of the documents pertaining to the Ruiz Massieu case. No evidence whatsoever was removed from the file. The PGR invited prominent jurists unrelated to the institution to publicly review the evidence submitted by the former deputy attorney general to guarantee the impartiality of the analysis of the case. These are the findings on the review of the alleged evidence that has stirred so many expectations within the past few days. Also, I want to briefly add that former attorney general Mario Ruiz Massieu today will likely make some statements on the communique issued by the PGR on 27 November.

Meanwhile, Mario Ruiz Massieu also reported that he received a telephone call at his house in Acapulco, Guerrero State, from Mrs. Maria de la Luz Vivar de Rubio, who reported that a group of unidentified people came and got her brother because he had to kill someone named Ruiz Massieu. In addition, Mrs. de Rubio reported that her brother, Ernesto Vivar de Rubio, who is 25 years old, is an expert sharpshooter and lives in (Krause) neighborhood, in Saltillo, Coahuila State.

Mario Ruiz Massieu pointed out that efforts must be made to determine whether there is a connection between the deaths of his brother, Francisco, and Luis Donaldo Colosio. At the closing of the Forum on the Life and Works of Francisco Ruiz Massieu, sponsored by the American University in Acapulco, Mario Ruiz Massieu said: I am not saying these two deaths are connected, but I am not ruling it out either.

Meanwhile, Moreno said Mario Ruiz Massieu is trying to divert attention away from the true reasons behind his brother's assassination. She will go to the PGR today to file a report on the former deputy attorney general. Francisco Trejos is here with the details:

[Trejos] This is how the recently nominated Woman of the Year was received here. This is another breakfast offered by the network of friends of Maria de los Angeles Moreno, and it had this theme: To honor the truth. She assessed that Mario Ruiz Massieu is indeed trying to divert attention from the true motives behind the crime.

[Begin Moreno recording] I am not responsible for any of the accusations made against me. [applause] I have technical and legal elements that support my position. [end recording]

[Trejos] Moreno recalled that, under Mexican law, all people are innocent until proven guilty. She maintained she has evidence supporting her innocence. This is why today she will file a report on the former deputy attorney general. She pointed out that she is being accused of defending the legislative jurisdiction of the judicial branch. [sentence as heard] She recalled that judicial agents raided PRI Headquarters and arrested eight aides to the former secretary general.

[Begin Moreno recording] Over the past few months and days, some people have tried to confuse the public by pretending to assert that a public institution such as the PRI is a nest of corruption. [end recording]

[Trejos] The breakfast was held amid violin music and was attended by those wearing T-shirts supporting the campaign for a Senate seat.

Zedillo Meets With PRD Legislators

PA2911033794 Mexico City Radio ACIR Network in Spanish 0000 GMT 29 Nov 94

[From the "Evening News Panorama" newscast]

[FBIS Translated Text] The important news of the day was the meeting held today by Mexican President-elect Ernesto Zedillo Ponce de Leon, who will be taking office in exactly 64 hours and 48 minutes, at 1100 [1700 GMT] on 1 December in an official ceremony at the San Lazaro Legislative Palace. Today, Ernesto Zedillo began the course toward a political dialogue with the Institutional Revolutionary Party's [PRI] opposition. There was only

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

one figure accompanying Zedillo. He was Esteban Moctezuma Barragan, who it is said will probably be the government secretary in the next administration. The president-elect and his imminent government secretary spoke with legislators of the Party of the Democratic Revolution [PRD]. Here is Rosy Ahuatzin with a report. Go ahead Rosy:

[Ahuatzin] Since the start, there was mystery surrounding this meeting. It was first said that Ernesto Zedillo's meeting with the PRD legislators would be at a hotel and later that it would be at the president-elect's office in [name indistinct]. But working like detectives, we finally detected there was excessive security at the Civil Engineers' Association in front of the private home of Carlos Salinas de Gortari and a few meters from Dr. Zedillo's office. Both sides arrived smiling at the site. Jesus Ortega, who led the PRD's legislators delegation, said: We should not magnify this. Dr. Zedillo was accompanied by his right-hand man, Esteban Moctezuma. The meeting began at 1305 hours behind closed doors and closed curtains so we would not see or hear anything. They all came out smiling at 1455 hours. The result was a joint communique, which was read at a nearby hotel only by the PRD legislators but which, of course, had been endorsed by Dr. Ernesto Zedillo. The main gist of this first meeting can be summed up as follows: There were points of convergence. The main one being the urgent need to undertake a reform of the Mexican state. In this sense, Ernesto Zedillo offered to strengthen the party system and to govern for all Mexicans. This communique was read by Senator Hector Sanchez. He also said the meeting was successful but that there must be a definitive political reform to achieve credible, clean, and trustworthy elections. There were no further details on this topic by either the legislators in their remarks or the joint communique. Let us hear part of the communique as read by Hector Sanchez:

[Begin Sanchez recording] He stated that the essential characteristics of that dialogue must be respect, tolerance, and willingness to reach agreements that will lead to specific actions that will benefit Mexico. The president-elect also stated that it is important to move from the period when differences were emphasized to one where points of convergence are recognized, without diluting plurality or differences. Ernesto Zedillo stated that for democratic progress, our party system must be strengthened. Therefore, he offered his invariable respect, in keeping with the law and the best practices of political civility. [end recording]

Peace Commissioner Leaves Post, Views Peace Plan

PA2911043294 Mexico City NOTIMEX in Spanish 2148 GMT 29 Nov 94

[FBIS Translated Excerpt] Mexico City, 28 Nov (NOTIMEX)—Jorge Madrazo Cuellar, commissioner for peace and reconciliation in Chiapas, announced today that he has delivered his peace proposal for Chiapas to President-elect Ernesto Zedillo.

He added that peace can only be attained in Chiapas through a political pact with the participation of all forces, groups, and organizations in that state, where on 1 January the Zapatist National Liberation Army (EZLN) violently occupied several towns.

Madrazo Cuellar also announced that the leave he received from the Senate and the National Human Rights Commission to handle the Chiapas conflict expired today.

Madrazo Cuellar will leave the post of peace commissioner to which he was appointed by the president on 22 June, because the leave he received from the Senate has expired and is "irrevocable."

Madrazo Cuellar, who replaced former Foreign Secretary Manuel Camacho, who resigned on 9 June, said that "a solution in Chiapas can be found with a renewal through profound democratic actions, which must be conducted by the people of Chiapas themselves."

That ideal, which many people view as utopic, will have to be studied by the next government, in order to consider its possibilities.

Forty nine days after the rupture of the dialogue and without any definite proposals from the government or the armed group, Madrazo Cuellar said that he sent 12 communiques to Subcommander "Marcos" requesting a direct dialogue, which were never answered, and therefore "represent a purely epistolary dialogue."

He added that Chiapas requires a profound solution, "which includes building new foundations, completely renewing relations between the various social groups and the government, and establishing new rules toward solving the conflict."

Chiapas needs "new foundations and a new social pact that will rescue its enormous cultural and historical wealth in order to project a better future of social and political development," which Madrazo described as a political pact. [passage omitted]

Opposition Legislators Chair Key Chamber Commissions

PA2811162294 Mexico City EL FINANCIERO in Spanish 25 Nov 94 p 50

[FBIS Translated Excerpt] The opposition's increasing clout in the Chamber of Deputies has done away with the traditional system of allocating power—a system controlled by the PRI [Institutional Revolutionary Party] and reflected in the legislative working commissions. For the first time, the opposition formed by the PAN [National Action Party] and the PRD [Party of the Democratic Revolution] will head key commissions such as the Finance Auditing Office and Energy Commissions, thereby giving a new dimension to the chamber.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

No member of the PRI's flock of turkeys [la pavada priista] ended up heading any commission, except for Jose Ramirez Gamero, from the Confederation of Mexican Workers, who is heading the Labor Commission.

Because of difficulties in inter-party negotiations, the commission appointments came at the last minute. Meanwhile, discord prevailed among the opposing parliamentarian blocs, because the PAN obtained chairmanships to only 10 of the 14 commissions it wanted, the PRD obtained six of the eight it wanted, and the PT [Labor Party] obtained only one of the two it sought.

The PRI, however, secured a large slice of the pie, obtaining the chairmanships of 33 commissions. Moreover, this did not prevent the state coordinators from being paid a 7,000-new pesos compensation. It was reported that PAN, PRD, and PT legislators also received a similar amount a few days ago.

In short, the Chamber of Deputies has 45 working commissions, four committees, and one institute.

The negotiations were difficult because not all deputies landed the commissions they wanted to head.

According to the chamber's internal rules, each deputy can join up to three different commissions. If this rule were strictly upheld, 1,500 commission posts would be needed to accommodate all of the deputies. This is why four new commissions were created, and other commissions, such as the Public Security and the Youth commissions, are under negotiation to be created.

The following are the most important commissions the PAN will coordinate: Trade, Justice (which was approved), Tourism, and Finance Auditing Office. The PRD will head the Energy, Agrarian Reform, Health, and Social Development Commissions and will retain the Human Settlements and Supply Commissions. It also was learned that the PRD accepted control of the Energy Commission in exchange for the Human Rights Commission. Meanwhile, Rosario Ibarra de Piedra, a committed activist and former presidential candidate, had to resign herself to the only commission chair the PT obtained.

The PRI retained control of the preeminent commissions in the chamber, but the chairmen of most of them are from the opposition. The PRI deputies who are current members of the Consensus Commission, which is the chamber's governing body; representatives from the various sectors; and the state coordinators agreed they would not occupy the chair of any commission. [passage omitted]

Article Lists Agencies Backing Research

PA2811174794 Mexico City UNOMASUNO (ECONOMIA Supplement) in Spanish 25 Nov 94 p 8

["First installment" of an unattributed article: "What Is IMIT?"]

[FBIS Translated Excerpt] The Mexican Technological Research Institute [Instituto Mexicano de Investigaciones Technologicas—IMIT]—a civilian association sponsored by the National Finance Bank, Inc. and the National Foreign Trade Bank—is a technological go-between devoted to helping microbusinesses and small and medium-sized enterprises in the areas of business administration, production, and marketing.

From the beginning, its main efforts have been geared toward the systematic study of the nation's natural resources and the development of appropriate technologies that will encourage the commercial utilization of those resources. It offers services in the following areas: technology, overall advisory assistance, the environment, quality control, mariculture and fisheries, business development, and prospective studies.

What is Fidetec, and what kind of services or assistance does it offer to industrialists?

Fidetec is the Fund for the Development of Research for Technological Modernization [Fondo de Investigacion de Desarrollo para la Modernizacion Tecnologica] and the agency that the National Council for Science and Technology has designed and established to support the technological modernization of companies. In addition, it is aimed at businessmen who have drawn up technological R&D projects to upgrade their production methods but lack the financial resources to implement them. The assistance it provides consists of offering businessmen guarantees that cover as much as 100 percent of loans granted by commerical banks.

The size of the business, micro- and small (in special cases), medium, and large. Percentage higher than 100 percent, 85 percent, and 75 percent. [paragraph as published]

Such loans always will be covered in Mexican currency, and the amount per company that may be covered by Fidetec resources cannot exceed 4.5 million new pesos. Investors must contribute at least 20 percent of the overall investment.

What is Valle de Mexico U3E [Liaison Unit for Energy Efficiency]?

It is an agency created by an agreement among Valle de Mexico businessmen under Cancintra [National Association of Manufacturers] and the National Commission for the Conservation of Energy [Comision Nacional para el Ahorro de Energia], and it stands for Valle de Mexico Laison Unit for Energy Efficiency. It is tasked with securing assistance required by firms implementing programs to conserve and efficiently use energy.

It also supports local engineering and consulting companies specializing in energy efficiency. This agency brings various companies together with a support network that joins the Private Trust for the Transfer of Technology [Fideicomiso Privado para la Transferencia de Tecnologia], the Credit Union for Energy Efficiency [Union de

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Credito para la Eficiencia Energetica], the Educational Center for Human Resource Training [Centro Educativo para la Formacion de Recursos Humanos], and the Coordinating Board of Support for the Electricity Sector's Energy Saving Program [Fideicomiso de Apoyo al Programa de Ahorro de Energia del Sector Electrico] [passage omitted]

Roundup of Economic Developments

PA2911030394

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Mexico monitored through 28 November.

Mexican Petroleum, Pemex, assets, which currently amount to 107.639 billion new pesos, decreased by 3.4 percent by the end of the first half of 1994, as compared to the same period in 1993, due to a reduction on the value of its secondary petrochemical plants and to a change on the assets evaluation policies. Meanwhile, Pemex liquid assets increased by 3.7 percent due to higher cash balances and accounts receivable. Total liabilities, which amount to 49.927 billion new pesos, increased by 4.899 billion new pesos over the same period. Short-term liabilities total 17.597 billion new pesos, and long-term liabilities increased by 7.081 billion new pesos. Pemex also reported that its net income amounted to 1.943 million new pesos, 6.4 percent of its sales, and its taxes amounted to 24.539 billion new pesos for the January-June 1994 period. (Mexico City UNO-MASUNO "ECONOMISTA" Supplement in Spanish 21 Nov 94 p 5)

According to a Mexico City, 21 November-datelined item, the Mexican Car Industry Association, AMIA, has told the media that 485,954 vehicles were sold in Mexico between January and October 1994, representing a 3.6 percent increase compared to the same period in 1993. However, local production decreased by 2.7 percent over the same 10-month period. The AMIA also reported that sales abroad increased by 16.2 percent, as 440,925 vehicles were sold, and that Volkswagen, Nissan, and Ford are the companies that sold the most vehicles during that period. Meanwhile, Ford sold the most trucks locally. (Paris AFP in Spanish 2145 GMT 21 Nov 94)

Reports issued by the Finance and Public Credit Secretariat, SHCP, have revealed that national production created 107,000 new jobs, less than 10 percent of the million jobs demanded annually by the local labor market, between January and August 1994. It also reported that the average annual job creation rate decreased by 0.7 percent during the same period. In addition, the GDP grew by 2.9 percent during the first three quarters of 1994. (Mexico City LA JORNADA in Spanish 22 Nov 94 p 49)

The Commerce and Industrial Development Secretariat, Secofi, issued 3,970 import permits, worth $14.937 billion, over the last 12 months. It also issued 217 export permits, worth $3.5 billion during the same period. Secofi also reported that, within the framework of the NAFTA, it issued 438 import certificates to 403 companies, which imported 11 different products, and 1,800 export certificates to 67 companies, which exported 211.7 million liters of orange juice. (Mexico City LA JORNADA in Spanish 22 Nov 94 p 64)

According to a Mexico City, 23 November-datelined item, the National Foreign Trade Bank and the Ontario Economic Development Ministry signed a collaboration agreement to foster businesses and training programs in Mexico and Canada. The agreement will facilitate the exchange of trade and investment information between the two parties. (Mexico City NOTIMEX in Spanish 2055 GMT 23 Nov 94)

The SHCP has reported that Mexico approved operations for 11 financial groups, six factories, and one exchange house, grouped under five foreign financial groups, namely GE Capital, Associates, Caterpillar, Chrysler, and Ford credit. The exchange house belongs to the Deutsche Bank. (Mexico City EL FINANCIERO in Spanish 24 Nov 94 p 18)

The trade deficit increase could have a large impact on the federal reserves by year end. The government will need an additional $3 billion to finance the trade imbalance, which is expected to amount to $20 billion. Representatives from the National Association of Mexican Importers and Exporters, the Mexican Business Council for Foreign Affairs, and the National Foreign Trade Council recognized that foreign investment will amount to $12 to $14 billion in 1994. (Mexico City EL FINANCIERO in Spanish 24 Nov 94 p 32)

Agricultural exports have amounted to $1.547 billion so far in 1994. Legumes and fresh vegetables represent 31 percent of agricultural products sold abroad. One of the reasons for this increase is the lifting of trade barriers for 61 percent of the products sold in the United States and Canada. A Bank of Mexico report indicated that tomato exports amounted to $326 million, while coffee exports amounted to $250 million. (Mexico City EL FINANCIERO in Spanish 24 Nov 94 p 34)

Genaro Borrego Estrada, Mexican Social Security Institute, IMSS, director general, has presented the IMSS 1988-1994 financial report. He said that the administration of Carlos Salinas will hand over a financially sound IMSS to the next administration, adding that IMSS revenues increased by 85.4 percent during the six-year period and that the current year will close with a surplus amounting to more than 4.1 billion new pesos, 600 million new pesos more than expected at the beginning of the year. (Mexico City XEW Television Network in Spanish 0430 GMT 24 Nov 94)

The Mexican stock market began to grow as Mario Ruiz Massieu made public his resignation as deputy attorney general. The stock market often decreases as we

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

approach the end of a presidential term. This year, however, the market lost ground due to the unstable situation in Chiapas and to the statements made by Ruiz accusing members of the ruling party of obstructing the investigations on the assassination of his brother, Francisco. As a consequence of these statements, the exchange market deflated last week. Today, the treasury bonds interest rate increased to 13.95 percent, as the country is expected to regain stability following the resignation of Ruiz. (Mexico City XEW Television Network in Spanish 0430 GMT 24 Nov 94)

The revenues of Pemex Refinery amounted to 21.2356 billion new pesos during the first nine months of 1994, as an average of 1.2889 million barrels of oil products were sold daily. This Pemex subsidiary also reported that it supplied 495,900 barrels of Nova Plus and Magna Sin gasoline per day. Meanwhile, the average diesel sales amounted to 251,600 barrels per day, generating revenues totalling 4.8761 billion new pesos during the nine-month period. Revenues from plane fuels amounted to 879.3 million new pesos. (Mexico City UNOMASUNO "ECONOMIA" Supplement in Spanish 24 Nov 94 p 5)

Secofi Industry Under Secretary Fernando Sanchez Ugarte has reported that despite the decrease experienced by the national industry during the last few years, its average growth fell between 3.5 and 3.8 percent, 1 percent above the GDP, during the 1988-1994 period. He also reported that the maquiladora (assembly plant) industry created between 600,000 and 700,000 new jobs during the aforementioned period. (Mexico City UNOMASUNO in Spanish "ECONOMIA" Supplement 24 Nov 94 p 3)

During his visit to the United States, President-elect Ernesto Zedillo said Mexico was pleased with NAFTA, because our trade increased by 20 percent, already exceeding $100 billion. Meanwhile, the latest figures released by the Bank of Mexico revealed that trade with the rest of the world amounted to $89.8465 billion by 31 August 1994. (Mexico City EL FINANCIERO in Spanish 25 Nov 94 p 20)

Reports submitted to representatives of the commission in charge of evaluating the Pact for Welfare, Stability, and Competitiveness have indicated that the purchasing power of real salaries is still below the 1982 level and the number of permanent jobs decreased in the last two years. Among the economic achievements of the current administration, the reports revealed that the monthly drops of the national consumer price index decreased from 167 percent to 6.7 percent in 1994 and that shortages dropped from 6.5 in 1989 to 1.2 in 1994. (Mexico City EL FINANCIERO in Spanish 25 Nov 94 p 24)

Andreas Sperl, Mexican-German Chamber of Commerce and Industry president, has reported that the economy will improve in 1995 as more capital will flow into the country and as interest rates will decrease. He also reported that sales to the United States and the European Union decreased by 30 to 35 percent during the first half of 1994. (Mexico City LA JORNADA in Spanish 25 Nov 94 p 53)

As Spain's Banco de Santander is expected to open seven branches in Puebla, Guadalajara, Monterrey, and Mexico City, it will become the first foreign financial institution to operate in Mexico. The Banco de Santander will invest $111 million and it expects to loan approximately 400 million new pesos during its first year of operation. (Mexico City LA JORNADA in Spanish 25 Nov 94 p 53)

According to a Mexico City, 25 November-datelined item, the SHCP, Secretariat of Finance and Public Credit, reported that the income of parastate institutions increased by 4.4 percent during the first eight months of 1994, as compared to the same period in 1993, amounting to 80.835 billion new pesos. Meanwhile, the IMSS income increased by 16.6 percent, totalling 26.034 billion new pesos, and the income of the Federal Electricity Commission amounted to 15.844 billion new pesos over the same period. Moreover, the SHCP reported that the income of the National Railroads exceeded 2.436 billion new pesos, a 7-percent increase as compared to the same period in 1993. (Mexico City NOTIMEX in Spanish 0246 GMT 26 Nov 94)

According to a Mexico City, 28 November datelined item, the Finance Secretariat on 28 November issued four resolutions authorizing the creation and operation of four companies that will operate as financial groups: Citibank, Santander, J.P. Morgan, and Chemical. Citibank will begin with a capital of 882.734,706 milion new pesos; Santander with 377,300,000 new pesos; J.P. Morgan with 384 million new pesos, and chemical with 205 million pesos. (Mexico City NOTIMEX in Spanish 1900 GMT 28 Nov 94)

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

El Salvador

President Discusses UN Mission, Illegal Aliens

PA2611130594 San Salvador Radio El Salvador Network in Spanish 1630 GMT 24 Nov 94

[News conference by President Armando Calderon Sol with domestic reporters and an unidentified moderator at the Presidential Palace in San Salvador—live]

[FBIS Translated Excerpt] [passage omitted] [Moderator] Gerardo Lopez of PRENSA GRAFICA.

[Lopez] Good morning, Mr. President. What is your opinion on the extension of ONUSAL's [UN Observer Mission in El Salvador] mandate, which has been confirmed by the UN Security Council. Likewise, yesterday the Honduran president confirmed that his country will be sending troops to Haiti. I would like to know what happened to the peacekeeping force El Salvador was supposed to send to that nation.

[Calderon Sol] Yes, the UN Security Council has extended until 30 April ONUSAL's stay in our country. The government had already spoken out in favor of ONUSAL remaining here. You all know that the government also requested the extension in order that ONUSAL would be a witness to the fulfillment of the agreements. We are working diligently to fulfill all of the agreements, to guarantee ONUSAL's presence until 30 April, and to comply with these agreements.

We are working very hard. As you may recall, there are [words indistinct] the delay in delivery of land and in other areas. We are making an all-out effort, and we also hope that the FMLN [Farabundo Marti National Liberation Front] will do the same to enable us to work together to remedy these delays and to comply with these commitments in order that we can say to ONUSAL on 30 April 1995: Thank you for your efforts; thank you for your cooperation to achieve harmony and the fulfillment of the peace agreements in our nation. I believe this would be a great satisfaction for all of Salvador—namely, to do everything possible to fulfill these agreements as soon as possible. This is the political willingness that exists, and this has been the government's willingness.

[Moderator] [Words indistinct] Alarcon, DIARIO DE HOY.

[Alarcon] Mr. President: At the border, a $20 fee per passenger is being collected. What measures will be taken in order that this charge does not contradict what is established in the Central American Trade Treaty. Moreover, we would like to know what points were discussed with the Parlacen [Central American Parliament] president?

[Calderon Sol] We specifically discussed this point with the Parlacen president. We discussed the Parlacen's future; the Parlacen president's working agenda for this year; what role the parliament wants to play; what active role would it like to play in political integration in this area, this region; and the need for the parliament to engage in greater efforts. Also, we talks about the Parlacen being placed on the Central American presidents' agenda. This morning we talked with the president and vice president of the Parlacen, and I believe that the parliament can be promoted further, considering it is a political institution in which there is a political, pluralistic, and democratic representation of the new Central America we are building. I believe we should give all of our support to this initiative to allow the Parlacen to play a more active role.

With regard to the fee, we have discussed this with the foreign minister who is looking into the situation. Today, specifically this afternoon, I will visit the foreign ministers meeting being held in our country at a local hotel. This afternoon I will extend my greetings to the foreign ministers; it will be a courtesy call on the foreign ministers by the president. I believe that at this meeting our foreign minister is taking up the problem of the charge that is being collected. In our opinion this is a step backward, and this kind of fee should be avoided. We regret that this is going on, and we hope it will be resolved. I believe we are going through the correct channels. I believe the foreign minister will discuss this with the Honduran foreign minister to enable me to bring up this issue at a higher level with President Carlos Reina. [passage omitted]

[Moderator] [Words indistinct]

[Unidentified reporter] Mr. President, this morning we learned that some U.S. dailies, specifically THE WASHINGTON POST, had published information based on statements made by President Clinton, who said his government is unwilling to extend the temporary permits for Salvadorans. What will happen if that is true? What about the efforts the government has made at the official level?

[Calderon Sol] I have faith that we will come out winning in that situation in Washington. I have been working very hard. The Foreign Ministry and the embassy in Washington have been working very hard at all political levels. They have visited institutions, the House of Representatives, the Senate, and the State Department. We have made a huge effort to raise awareness in political sectors. We have done the same with the public, the U.S. press, influential groups, foundations, groups that influence public opinion. We have engaged in a very arduous task and have worked very hard. I would say that the Salvadoran Government has done a very good job. I have faith and hope that we have reached the political sectors and that we will receive an extension of the temporary permits to benefit our fellow citizens.

I hope that the U.S. Government will help the Salvadoran democracy we are constructing, that it will grant us a stay, and that it will give us an extension. I hope the U.S. Government makes its decision soon and that the decision will benefit our fellow countrymen. [passage omitted]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Moderator] Rosy Castillo from Radiopolis.

[Castillo] It is already a fact, as President Bill Clinton appeared on another quite serious television network and indicated that a decision has been made that does not favor the Salvadorans, even though some proposals have been presented to various sectors in the United States to declare the decree invalid. On the tour that you will undertake, it is said that the small nations haven't got a chance, but you will insist that Salvadorans not be deported en masse? Who will accompany you to to this meeting and who will accompany you on your tour of Mexico? Are you going to take advantage of the fact that there will be a number of presidents attending President Zedillo's inauguration? Who will accompany you? Is there an important issue to be discussed?

[Calderon Sol] Thank you, Rosy. Yes, I will be attending President Zedillo's inauguration on 1 December, where I will have the opportunity once againt to speak with Vice President Al Gore about these issues. I am trying to take the opportunity of his presence in Mexico at President Zedillo's inauguration to arrange a private meeting with him. I will discuss those issues, specifically Pete Wilson's proposal, which we hope will be totally annulled and never be implemented, and that we would like a temporary stay and that the permits for our nationals be extended. I will discuss this with Vice President Al Gore in Mexico.

Likewise, we will present a joint position. As you have noticed, there is support among all the region's presidents to present a common position against Proposition 187 at the Summit of the Americas. In addition, I will make an effort, as I have with President Clinton, without going into personal [words indistinct] I have explained the situation. I believe we will receive a positive response even though some media [words indistinct] have stated, but this is not a final statement by President Clinton. The final word must come from the U.S. Government before the ....[pauses] This has neither been said nor done. I am convinced, and I hope that our request for an extension of the temporary permit for Salvadorans will be granted. The situation could be resolved at that time.

[Castillo] Who will accompany you?

[Calderon Sol] Only a very small delegation will accompany me to President Zedillo's inauguration: the foreign minister, my private secretary, minister...[pauses] Which ministers?

[Unidentified person, interrupting] [Words indistinct]

[Calderon Sol] No, the first lady will not attend. [passage omitted]

Two Ministers Resign To Face Legal Charges

PA2911032694 San Salvador Canal Doce Television in Spanish 0100 GMT 29 Nov 94

[Report by Danli Montoya and Mario Jovel; from the "Up-to-Date" newscast—passages within quotation marks recorded]

[FBIS Translated Text] [Montoya] The government of President Armando Calderon Sol today was faced with the resignation of two ministers who are accused of participating in a network of influence peddling. The agriculture minister said he was leaving his post to go to court, as a common citizen without privileges, to face charges of tax evasion in the San Francisco rice mill case.

For the first time in the country's recent history, a government official has quit his post because of a judicial investigation. Finance Minister Ricardo Montenegro was mentioned in the case of alleged tax evasion in the amount of 2.2 million colones, which was perpetrated by the San Francisco rice mill in a transaction involving the import of cereal into the country. According to Montenegro, he wants to face the accusations openly.

[Montenegro] "I want to demonstrate that my conduct as a government official has always been strictly in compliance with the laws of the Republic, and so the trial will be totally open. I want to be able to defend myself with more liberty and, therefore, I am tendering my resignation as finance minister."

[Montoya] Rice mill owner Marco Antonio Batres alleges that on orders of Montenegro and Agriculture Minister Carlos Mejia Alferez the San Francisco rice mill was charged the minimum tax to import rice, while he was charged the maximum tax, simply to eliminate him from the competition. Montenegro denied engaging in any dishonest action during his term, much less altering the so-called price list to favor a given company.

[Batres] "In the case of the San Francisco rice mill, the exact same treatment and same mechanism that has been used since the price list was introduced in 1991, is still being used. There has been no difference."

[Montoya] After permitting only three questions by newsmen, Montenegro left the conference room to go and meet with the president. Montenegro said he wants to clear his image, not only before his family and friends, but also before the series of labor organizations in which he participated throughout all those years. Asked who will replace him now that he is resigning, he responded that that should be answered by the president.

[Jovel] Agriculture Minister Carlos Mejia Alferez stated today that he quit his post to defend himself as a common citizen, but he considered the charges regarding influence peddling and tax evasion as slanderous. The agriculture minister suddenly joined the list of cabinet officials who have resigned from the government of President Armando Calderon Sol. Mejia Alferez is accused by businessman Marco Antonio Batres of influence peddling to permit tax evasion by the San Francisco rice mill in the importation of rice.

[Mejia] "Mr. President, as is of your knowledge, I was recently the victim of a charge against my good name and honor. In order to be able to defend both values,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

which are fundamental to me and my family, I need the freedom of any common citizen, without privileges enjoyed by a government official. Therefore, I respectfully tender my resignation as agriculture and livestock minister."

[Jovel] Mejia Alferez said he does not want to leave the impression that he took advantage of his post to defend himself. Consequently, he will advise the Legislative Assembly that he is quitting his other post as presidential designate.

[Mejia] "I will submit to the Legislative Assembly my resignation from the post of presidential designate."

[Jovel] Mejia Alferez said he will use all legal means to defend himself against the charges. Currently there is a slander suit that he has filed against Marco Antonio Batres in the criminal court. In the finance court, the prosecuting attorney is investigating whether the finance and agriculture and livestock ministers took actions to favor the San Francisco rice mill to avoid paying taxes. If they had not resigned from their posts and more evidence piled up against them, then the Legislative Assembly would have had to impeach them. Now, however, if they are found to have engaged in wrongdoing, they will have to go before the regular courts.

Guatemala

Human Rights Ombudsman Threatens To Close Office

PA2811020794 Guatemala City LA REPUBLICA in Spanish 25 Nov 94 p 5

[Report by Ramon Hernandez S.]

[FBIS Translated Text] Human Rights Ombudsman Jorge Mario Garcia Laguardia yesterday denounced the fact that Ramiro De Leon Carpio, former human rights ombudsman and current president of the Republic, is the first person on the list of officials who do not observe his resolutions, endangering the institution, which may disappear.

Garcia Laguardia made the aforementioned denunciation in the seminar-workshop on human rights in the region, sponsored by the European Community. He expressed his concern because his resolutions are not heeded by the current government of De Leon Carpio, as well as by most state officials, ministers, secretaries, and others.

"The very president has been informed of this situation and has not responded to the human rights ombudsman," stated Garcia Laguardia, who said he is preparing a list of officials who are not complying with his resolutions in order to present it to the Congress of the Republic.

Garcia Laguardia asserted "it is a pity" that the former human rights ombudsman and current president of the Republic, Ramiro De Leon Carpio, is the first person on that list who does not want to "observe" my resolutions.

The most important resolution that has not been observed by President De Leon Carpio is the request by the human rights ombudsman for the removal of National Police Director Gustavo Figueroa over "the massacre" that occurred at La Exacta Ranch in Coatepeque.

Another resolution issued by Human Rights Ombudsman Jorge Mario Garcia Laguardia pertains to the death of the university student who was beaten by policemen after he was shot on the university campus. In this resolution, Garcia Laguardia asked the resignation of both Minister Danilo Parrinello and the National Police director.

The denunciation by Garcia Laguardia came at a time when the issue of human rights is under observation by the United Nations, with the presence of independent expert Monica Pinto, as well as after the installation the Verification Commission, Minugua [United Nations Mission for Guatemala].

The human rights ombudsman made it clear that the position of the government and officials not to observe his resolutions may result in the closing of the Human Rights Ombudsman's Office. This possibility may occur, and the president and his subordinates would be responsible, Garcia Laguardia concluded

UN Expert Criticizes Human Rights Situation

PA2911044694 Guatemala City Televisiete Television in Spanish 0400 GMT 28 Nov 94

[From the "Channel Seven News" newscast]

[FBIS Translated Text] [words indistinct] and exhumations of skeletons belonging to peasants who were massacred, Monica Pinto, the UN human rights adviser for Guatemala, concluded her task of reviewing compliance with human rights in the country. On 31 January 1995, the official will present her report on Guatemala to the UN Annual Conference on Human Rights in Geneve, Switzerland.

Before departing, Pinto said that although there is improvement with respect to individual guarantees in some respects, in other respects an increase of violations is noticeable.

Monica Pinto said that compared with last year, militarization in the country has increased. She explained military officers are holding positions that should be held by civilians. Pinto mentioned the example of the Government Ministry and other government agencies.

The UN official reiterated that the Civil Self-Defense Patrols [PAC] must disappear, but noted her respect for the president's decision to keep them. Nevertheless, Pinto explained she does not share the president's views.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The UN expert adviser asserted there was excessive use of repression during the incident at the University of San Carlos. She demanded that a profound investigation into this incident be carried out.

[Begin Pinto recording] The culture of respect for human rights makes it necessary for the state, as a civil institution, to observe human rights throughout the national territory and respect the human rights of all residents of the country. In this regard, we deem it appropriate to note the militarization of the country, which is today more significant than a year ago. Without meaning to undermine the functions of the Army in a society of law, we reiterate our belief that both the PAC and the institution of the military commissioner have misconstrued, in practice, the goals they sought to achieve, becoming agents that generate social violence and human rights violations.

Such recent incidents as the events of 24 August at the San Juan El Horizonte Farm in Coatepeque and 11 November on the campus of San Carlos University have shown excessive police repression. Therefore, I call for the urgent demilitarization of the police system and—stemming from the three existing police forces, National Police, Treasury Police, and Ambulatory Military Police—the creation of a new genuinely civilian police system, free from corruption and inefficiency. This new police system must be highly professional. [end recording]

The death threats against those investigating the crimes—she termed ouside the law—of Centrist leader Julio Carpio Nicolle and Epaminondas Gonzalez, president of the Constitutional Court, curtail the investigation of the incidents, Monica Pinto added. She further said death threats against union leaders, journalists, and others have increased.

[Begin Pinto recording] The threats against the visible heads of society have increased remarkably. Leaders of nongovernmentsl human rights groups, judges, journalists, and union leaders are constantly harassed. They are chased and constantly receive telephone calls or unexpected visits. They usually receive death threats in communiques of other organizations.

This represents a well-aimed attack against the already-weakened social fabric of this society. The investigative capacity of the state must take action to end this wicked policy. [end recording]

Defense Minister Comments on Bamaca Case

PA2811044794 Guatemala City Teleonce Television in Spanish 1900 GMT 25 Nov 94

[From the "Telepress" newscast]

[FBIS Translated Text] Defense Minister General Mario Rene Enriquez commented on the case of guerrilla leader Efrain Bamaca Velasquez, alias Commander Everardo, who according to the Army died in combat in 1992, but according to the guerrillas, is detained in a clandestine jail.

[Begin recording] [Enrique] The president, when he was human rights ombudsman, and Deputy Ombudsman Mr. Alvarez Guadamuz were notified by the URNG [Guatemalan National Revolutionary Unity] of the death of someone with all the characteristics of the criminal Bamaca. This is the truth. They received the information, and it is in writing. That is why they know this for sure and that is why they say these things. The URNG then tried to make it appear that the information that Bamaca was alive had originated at the Intelligence Directorate. Thank goodness we found the fax signed by a member of the URNG, giving details of this man and stating that he had been killed. But so many problems followed because of a subversive, someone operating clandestinely, someone up in arms, someone who has done so much harm to Guatemala for 17 years, who killed so many people. There are many crippled people who went to the park opposite where Mrs. Harbury was to claim what her alleged husband had done. People with missing legs, arms, or eyes.

Instead I said, I do not like taking advantage of the grief of those who have been crippled by guerrillas to justify a point or merely for the sake of public opinion or for ideology because their feelings are (?pure).

[Unidentified reporter] Mr. Minister, the president has said that Bamaca's case has caused our country much harm and also blamed the media for giving this story so much coverage. Do you agree?

[Enriquez] One hundred percent. How could I disagree? How could I not agree that this is an attempt to turn someone who has committed atrocities in Guatemala into a martyr. He has kidnapped, he has extorted, he has demanded war taxes, he has killed, and he has crippled a whole lot of soldiers in the Guatemalan Army. He has done all sorts of things, he has blown up bridges, towers, and so forth. Now they want to make a martyr out of him. As far as I am concerned, he died in that clash. I told Mrs. Jeniffer Harbury that I respect her opinion because she says he is alive. I wish this were true because then we would have turned him over a long time ago and he could no longer be used for ideological exploitation by the URNG and URNG sympathizers.

It is understandable that someone would claim a person is not guilty, but it is tough to defend someone who is involved in crime. I see, however, that he is being defended well.

[Reporter] Are you going to comment on the case of the (?Spanish) diplomat [words indistinct]?

[Enriquez] They [not further identified] did not make so much propaganda because in those days there weren't as many people with ideologies, such as Jennifer Harbury.

[Reporter] [question indistinct]?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Enriquez] They went through everything, including ORPA [Revolutionary Organization of the People in Arms]; they even rotated.

[Reporter] [question indistinct]

[Enriquez] And she is also an American and also belongs to the URNG. It was the URNG that did it.

[Reporter] He took part in that murder?

[Enriquez] It was one of the many murders by the URNG and of an American. Nothing was said then, because logically, the Guatemalan Government does not have a group on hand to do political propaganda, or shall we say subversive propaganda, against legal state institutions or the government itself [sentence as heard]. What I am saying is that this case is regrettable and that it has reached such high publicity levels. The Bamaca case is one of the many cases that the URNG has caused over 34 years of armed confrontation. It is just one more case but it has been blown up. I wish that if he indeed did know Mrs. Harbury that he one day turn up in Texas or somewhere. This does not mean that she knows that he is alive. I know he is dead.

[Reporter] She said in the United States that she would continue her hunger strike opposite the palace when she returns to Guatemala. Could her return to Guatemala be banned?

[Enriquez] These are purely matters of international law, legal matters. If it were up to me, I would of course prefer her not to enter Guatemala. Her trip is intended solely to stir things up, disparage the government, to become a sorry sight, to spark the international media, and so forth. Quite frankly, Guatemala does not want people—either fellow nationals or foreigners—who come to hinder the government's genuine desire to restore peace to Guatemala. This is what happens and this woman is distorting things.

[Reporter] [question indistinct]

[Enriquez] I believe that there are institutions that are responsible for them. I sincerely say that there are institutions responsible for them; it cannot be the Army. This does not mean I would not like to.

[Reporter] [question indistinct]

[Enriquez] The trip has not been canceled. The trip was not an official invitation or anything or the sort. One could say it was a private trip and the talks held were appointments made by the ambassador and defense attache in Washington. It was not a government invitation.

URNG, Government Peace Talks Begin

PA2911043994 Guatemala City LA REPUBLICA in Spanish 28 Nov 94 p 5

[FBIS Translated Text] The General Command of the Guatemalan National Revolutionary Unity (URNG), has, through Rolando Moran, expressed its willingness to accept the presence of representatives of the Mayan people in the negotiations between the insurgents and the government and Army, a CERIGUA news dispatch from Mexico has reported.

Commander Moran stated this during the first day of the talks being held by the insurgents and the government's Peace Commission.

The CERIGUA report indicated that Moran said the guerrillas would accept the presence of representatives of the Mayan people, who are a majority in Guatemala, during the discussion of the issue of identity and rights of the Indian people. Commander Moran told the news agency that during the first day of negotiations between the URNG and the government and Army, a plenary meeting was held and they discussed the political rights of the Mayan people.

Moran said they delved further into the point dealing with the political rights of the Indian people. The report added that he described this meeting as very positive.

President on Measures for Electricity Sector

PA2311232994 Guatemala City Teleonce Television in Spanish 1900 GMT 22 Nov 94

[Report on a news conference by President Ramiro De Leon Carpio with unidentified reporters; place and date not given; from the "Telepress" newscast—recorded]

[FBIS Translated Text] President Ramiro De Leon Carpio swore in today Julio Rene Barrios Ortega as the new energy and mines minister and Guillermo Rodriguez Mauad as the new president of the INDE [National Institute of Electrification]. The president announced during a news conference afterward the latest measures adopted regarding the electricity sector:

[Begin De Leon recording] Regarding the electricity sector, due to a series of natural and economic factors and after an exhaustive and profound study of the report presented by the Multisectorial Commission on the National Electricity Sector—you will recall the first measure was the tariff approved some weeks ago that was provisionally suspended due to a decision by the Constitutionality Court—I am announcing today the first actions to overcome the crisis and to establish the basis for the future development of this sector.

We will create a system open to competition and efficiency to resolve the historic problems of the electricity sector in the short, medium, and long term. We need to also stress that everyone is familiar with the serious problems we have faced due to a lack of developmental programs in this sector. We shall encourage a legal and strategic framework to appropriately regulate this sector, while also implementing developmental programs for the various works that will allow for the satisfactory generation and distribution of power to all Guatemalans.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

We will require proper tariffs from the technical and commercial point of view that will facilitate the recouping of the investment in developing sector infrastructure as well as its administration, maintenance, growth, and the infrastructure expansion to supply power to 70 percent of Guatemalans who lack it.

The climate, together with the previously listed structural problems, have caused us to face a crisis that will make it impossible for us, if not faced with decisiveness and firmness, to resolve and avoid having to begin long-term rationing, as is the situation in Honduras and other regional countries. As president of Guatemala, I would not like to see the people in this situation, and this point is why we are taking these measures.

Because of these points, I now have to firmly face solutions to legal, financial, institutional, and labor deficiencies in the electricity sector, seeking to modernize it and make it operational after consolidating and reestablishing the country's democratic institutions. To attain this goal, we will base ourselves on applicable constitutional norms that will require the support of the people and the country's productive and labor sectors.

The time has come for the government and investors to try to satisfy the country's electricity service demands within the proper legal framework and thus be able to give true and permanent access to socioeconomic development of the various sectors of the population, both in the urban as well as rural areas.

The high costs of investments for an adequate service in generation, transmission, and distribution projects for the upcoming years exceeds any government possibility. This point requires a great effort and the participation, of course, by the state by regulating and serving as an arbiter to the operations and procedures these high investments require. Investors are required, however, to act under rules that are completely open and clear.

We will need to continue breaking up monopolies and eliminating privileges as well as bolstering optimum efficiency and productivity in all enterprises that supply electricity.

We have drafted a complete strategic plan based on the following goals: first, an overall goal; that is, to immediately overcome the financial crisis and the production crisis of the electricity sector, and to establish the bases for a permanent and lasting solution.

The following are the specific goals: first, to minimize the effects of an unavoidable energy rationing; second, to tidy up the finances of INDE and the electricity company; third, to recover the sector's credibility; fourth, to strengthen, decentralize, and demonopolize the sector; and fifth, to promote the creation of an adequate and modern legal framework.

The strategic plan will also enjoy the support of new officials at the head of the sector. These are qualified individuals who will guarantee the success of this plan. As I said, it is a known fact that we are confronting a major and profound financial and operational crisis and that we have little time. Thus, we cannot improvise at the management level. This point is why I have appointed prominent and capable professionals and businessmen with social sensibility, knowledge of the problem, and honor to fill key positions.

They are, as I said moments ago, new Energy and Mines Minister Julio Rene Barrios Ortega, who replaced Jose Luis Terron, who has resigned, and new INDE President Guillermo Rodriguez Mauad, who replaced Jorge Cabrera, who will assume technical responsibilities within the institution.

These latest actions complement others that were adopted to restructure the board of directors of the electricity company, whose directorate was reduced to only five principals and three alternates. Oscar Martinez Amaya was confirmed as president of this institution.

We also have created, through a government agreement—and this point is perhaps most important at this time—the National Electricity Council, which will consist of the energy and mines minister who will serve as its coordinator, the secretary general of the Presidency, INDE president, and the president of the electricity company. This council will be directly accountable to the president of the Republic.

This council will give institutional advise to the executive branch, and its goals will be first, to tackle the sector's crisis immediately and coherently; second, to study and formulate comprehensive structural development plans for the electricity sector in the short, medium, and long-terms; third, to present to the Presidency drafts of legal instruments needed to execute the goals I just mentioned; and finally, to present a scheme for the reorganization of the sector and a timetable for its implementation.

It should also channel all information regarding the sector. At this point, I would like to say this will be strictly complied with to ensure that, henceforth, all information pertaining to this sector will be channeled through the National Electricity Council, which will consist of the individuals previously mentioned. Statements by any other official of the government or other sectors will lack the official validity we want to establish to guide the people through you, the journalists. We want information to be centralized and channeled through the appropriate individuals and those who, henceforth, are directly responsible to the president of the Republic and the people of Guatemala.

To accomplish this goal, the National Electricity Council will strictly apply constitutional provisions related to: first, the unrenounceable nature of labor rights of workers of the national electricity sector in keeping with Article 119 of our Constitution; second, the participation of private initiative in the country's electrification

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

in keeping with Article 129 of our Constitution; third, a ban on monopolies and privileges in keeping with Article 130 of the Constitution.

Messrs. journalists, we have made these decisions—and in the same way, at a given time in history and during this administration—to which I have committed myself to turn over a purged and healthier state, a goal which we have achieved so far with regard to its purging and reorganization from a political standpoint. In the same way, I am committing myself today to solving the energy problem to guarantee the sustainable and permanent development of Guatemala, hoping, of course, to have the support of all Guatemalans, as in the past.

The media, particularly televised, will air a campaign—for free, by the way—in a few hours urging citizens to save electricity, and this act should help the people in this time of crisis.

These measures are all I had to announce regarding the urgent medium- and long-term measures that will be adopted. I am delegating responsibility to this National Electricity Council, which will be in permanent session beginning today. We will keep the people abreast of the developments. Council officials will now answer your questions regarding these measures.

I will only add that our current limitations and energy deficit, caused by financial reasons, natural and rain-related reasons, and due to natural phenomena, are preventing us from offering a normal service, and this situation is why we are rationing electricity for about 45 minutes each day. We hope this situation will end by 15 December. We have a deficit of about 100 megawatts, and we hope to reduce this deficit, through emergency measures, to 20 megawatts by 15 December, if there are no other unforeseen developments that are outside our control.

There will be another situation, a new order in January. We cannot predict in what month or date we will have a completely normalized situation. I do commit myself, however, to normalizing the production and distribution of electricity to the entire population as soon as possible, within the first half of 1995.

I would like to have the satisfaction in the medium and long term, come 14 January 1996, to say during my farewell speech to the Guatemalan people that we overcame this phase and that we will be producing and distributing hundreds of megawatts—we hope actually thousands—not only to Guatemala but also to Central America. [end recording]

PAC Members To Continue in Organized Groups

PA2911044994 Guatemala City LA REPUBLICA in Spanish 27 Nov 94 p 38

[FBIS Translated Text] Ninety percent of the members of the Civilian Self-Defense Patrols (PAC) in Pueblo Nuevo village, Tajumulco Municipality, San Marcos Department, will continue in an organized group, states an Army declaration, after 51 former PAC members surrendered their weapons to the UN Mission to Guatemala (Minugua).

The Army says the civilian patrols will continue as organized groups as long as the civil war continues and their communities are "threatened by terrorist groups" of the Guatemalan National Revolutionary Unity (URNG).

The Army report adds that the 500 PAC members that decided to continue as organized groups publicly told the Minagua delegation that arrived in the village that those were the main reasons for making this decision.

On 23 November, a Minugua delegation reached Pueblo Nuevo village accompanied by a number of representatives from human rights organizations to receive weapons from the 50 former PAC members who decided to resign from the committees.

This is the first time the Minugua delegation has received weapons and resignations from former PAC members—organized during General Efrain Rios Montt's regime—which reached a total of more than a half million members. The Army points out that 500 patrolmen who decided to continue in their patrols did it "by their own decision and will to defend themselves against terrorist groups."

Honduras

President, Minister Deny Plans for Economic Adjustments

PA2911041694 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 28 Nov 94

[Report by Roberto Reyes Pineda; from "The Morning Paper" newscast]

[FBIS Translated Text] While Economics Minister Delmer Urbino Panting has given assurances that the announced price increase of four products of the basic family basket are the last that will be authorized this year, Honduran President Carlos Roberto Reina has gone one step further: he has promised the people that no further economic adjustments will made during the next three years of his administration.

[Begin Reina recording] I have spoken with the private sector [word insdistinct] regarding the prices that we are speaking of—which are the definite prices—and which today were made public, and the different companies affected have been informed. These prices are going to be in force until 31 December and anyone not respecting these prices will be fined. [end recording]

Proof that the Economics Ministry will take action are the penalties that have already been imposed on four companies in the country and the case of Cielito Lindo Rice, which was fined 300,000 lempiras for altering its prices.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Begin recording] [Urbino] Among the fines that the Economics Ministry has levied throughout the country, which total 400,000 lempiras, is a 300,000 lempiras fine imposed on Cielito Lindo Rice for changing the prices and the weights of the products they sell in bags. We are going to be very severe in imposing this fines. But it is not easy with the personnel available to visit 20,000 to 25,000 establishments throuhgout the country. We only have 30 regular inspectors and have hired 30 additional inspectors.

[Reyes] There is much concern because—having exhausted all possibilities of cost reductions—more requests for price increases have been received for a number of other products. Which products are they?

[Urbino] No, not any more. We have stopped any further possiblities. These remain open because no one can deny them the right to ask for a price increase. But we gave the companies enough time. We are going to have problems with a few companies that we have warned against exceeding the prices we have established; we are going to fine—no matter who they are—any company that exceeds the ceiling prices we have currently established. [end recording]

Meanwhile, in this same newscast we shall broadcast the commitment the president has made once more to the people not to make any more economic adjustments.

[Begin Reina recording] I have said this, and will adhere to it. The economic adjustment has been made, we have put that behind us, and I predict an improvement in the nation's economy in the upcoming years. There will be no more economic adjustment. [end recording]

This is what President Carlos Roberto Reina and Economics Minister Delmer Urbino Panting have said.

Military Chief: Armed Forces Changing

PA2411040794 Tegucigalpa EL PERIODICO in Spanish 23 Nov 94 p 12

[FBIS Translated Text] Tegucigalpa—General Luis Alonso Discua Elvir has said: Now that the cold war is over, Honduras' Armed Forces "are changing," to the extent that they are more aware of their responsibility to protect the country's democracy.

That is a reorientation of the role the military corps has played in Honduran society, and that has led it to "support a return to democracy," he has said.

The military chief has said the United Nations has requested the participation of a military contingent for the second phase of the peace process in Haiti, saying "we are prepared to send a contingent of Honduran soldiers."

Referring to the lottery to choose the young men who will carry out their military service, Discua has said this proves Honduras is a country where, if you want to do something "according to the law you do it," and you do it right.

The people's reaction to the process for choosing the recruits was excellent and "deserves respect," the Armed Forces commander in chief added.

Talking about charges by a group of U.S. lawyers, who accuse the military of corruption, Discua has said this is international libel aimed at diverting attention from reality.

Nicaragua

Editorial Criticizes Ramirez for Attacking Daniel Ortega

PA2411183394 Managua BARRICADA in Spanish 22 Nov 94 pp 1, 8

[Editorial: "A Very Serious Accusation and Deliberate Lie"; passages in italics as published]

[FBIS Translated Text] In Mateare and Matagalpa, Sergio Ramirez accused FSLN [Sandinist National Liberation Front] Secretary General Daniel Ortega—although he does not mention him by name—of being the mastermind behind the death of companero Saul Alvarez.

It is a very serious accusation, not to mention unscrupulous. Newspaper reports of the Matagalpa meeting attribute to him a proposal for dialogue, which he has denied in his own words.

It is a proposal not to hold a dialogue but to destroy one. In Matagalpa, Ramirez said: "We are not a separate political party," an unheard of contradiction to Ramirez's categorical affirmation—in a very widely circulated article to which Commander Tomas Borge referred yesterday—that "we are two political parties."

One day he says we are two political parties, and the next he says the opposite. At the very best this is incoherence, but it has the rotten smell of a deliberate lie.

In any case, what stood out about Ramirez's verbosity in Matagalpa was his infamous attack on the man who shared the nation's presidency with him and who supported him unreservedly during his triumphs and mistakes.

In truth, what we witnessed in the birthplace of Carlos Fonseca was an overwhelming repudiation of Ramirez's arguments.

We suppose that in his **neo-antisandinist** speech he persisted in the gratuitous custom of slandering and insulting people without receiving a befitting answer. In the past, BARRICADA and other news media reported a lot of nonsense thought up by Ramirez and his group.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Now we have these pages to answer the felonious attacks of those who are irresponsibly able to poison the public with reckless affirmations.

The transportation strike—a decision made by the truck drivers themselves—was supported by the FSLN. It was the party's basic duty to identify itself with a social struggle to support the just demands of that sector.

The violence which erupted during the strike was initiated chiefly by the government's stubbornness in sticking a pound of wax in its ears and a blindfold over its eyes to neither hear nor see the consequences of its illogical economic adjustment measures and of the **Ramirists** who, in the National Assembly, have found a common cause with the government.

Only a blind person could believe—and that in bad faith—that someone in the FSLN, much less its secretary general, could be involved in any way in the murder of a respected police chief with whom we had traditional and sacred ties.

Dr. Ramirez, the Sandinist leaders are not assassins, although none of them has ever shirked the responsibility of fighting for the causes of the people in any arena, even the most dangerous, which is war.

If there is something which distinguishes those who really fought, those to whom the FSLN is very precious, and those who were not late arrivals who wanted solely to reap applause and glory, it is their nobility, courage, valor, quickness to answer a challenge, and good lineage. That is the stuff Sandinist leaders are made of.

Dr. Ramirez, do what you please. Be derisive, venomous, whatever you want to be, but keep in mind that the people are smart enough to distinguish between those who defend their interests and those who turn their backs on them.

Columnist Signs 'Death Threat'

PA2511000894 Managua LA PRENSA in Spanish 21 Nov 94 pp 1, 16

[FBIS Translated Text] A full-page death threat entitled "Sergio Ramirez in Extremity" was published in LA BOLSA DE NOTICIAS, the daily newsletter which usually follows the directions given by the highest leadership of the Sandinist Party. The threat is illustrated with quotes from Daniel Ortega's 1990 political campaign. Ortega was promoted at that time to the rank of "Razor- Spurred Fighting Rooster."

Columnist Bernice Maranhao signs the threat. Maranhao is of Brazilian decent and has been a prominent figure within Sandinist intellectual circles. She was thought to be a supporter of Sergio Ramirez up to now but seems to have crossed over to the so-called "orthodox" side, led by Daniel Ortega.

Maranhao thrusts deep with her diatribe, criticizing Ramirez for trying to assume a posture of leadership within the Sandinist movement, something which can only belong to Ortega according to the columnist.

The columnist has said "trying to mirror such an image without having the negative of the original is, according to Freud, comparable to being buried alive in the kind of lunacy the loss of power and failed interests trigger in the weaker ones."

Maranhao wanders off in literary rambling before heaving the final threatening phrase: "The sad thing about all this is that he (Ramirez) has been unsuccessful in presenting us with a visual or literary image of 'a viable Sergio Ramirez.' It is too late now. The countdown is getting dangerously close to the point of no return."

Poet Ernesto Cardenal has confirmed our suspicions that all the division, the insults, and the threats between the two Sandinist sectors are nothing more than a "tactical move" and that the two will end up united for the 1996 election.

Many Nicaraguan citizens have repeatedly expressed their doubts about the true state of things within the "Sandinist Front." They say the party's National Directorate has expelled Sergio Ramirez to allow him to become a reformist hero and thus recover the voters' trust in Sandinism.

Cardenal has said "one cannot discard the possibility of some kind of new Sandinist organization rising and joining forces with the 'Sandinist Front' for an election, even in the current state."

Precisely. Sergio Ramirez has formally taken the leadership of the "Sandinist Renewal Movement" (MRS). The MRS is leading the party reform effort and is working full time on the constitutional reforms at the National Assembly with several National Opposition Union democratic parties.

Cardenal has made these statements, which EL NUEVO DIARIO has echoed, during a recent trip the poet took to Santiago de Chile.

Cardenal has said Daniel Ortega and Tomas Borge have damaged the "Sandinist Front" but not Sandinism, which should rise again with the same ideals as before while remaining open to a possible electoral alliance led by Ramirez, as long as Ortega agrees to step aside for the sake of the new unity.

[Managua Canal Cuatro Television in Spanish at 0400 GMT on 22 November reports statements by columnist Maranhao in which she has denied her article makes any such threats, saying "in extremity means he has come to his end, politically speaking, because he has been unable to present a credible image." She has announced she will file suit against LA PRENSA for libel.]

Cardenal on Resignation From FSLN

95CA0026A Santiago LA NACION in Spanish 28 Oct 94 p 15

[Telephone interview with poet Ernesto Cardenal by Carlos Monge Aristegui from Santiago; date not given]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[FBIS Translated Text] Poet and priest Ernesto Cardenal has always been one of the representative figures of the Sandinist National Liberation Front (FSLN). Therefore, his resignation from the party that governed Nicaragua from 1979 to 1990 after overthrowing dictator Anastasio Somoza by force of arms caused a major stir last Tuesday.

In a telephone interview with LA NACION from his home in Managua, Cardenal accuses Daniel Ortega of running a "top-down, caudillo-style, authoritarian power structure." He says that he remains a "Marxist and a Christian," adding that if Sandinism is unable to purge itself, Somozism could once again return to his country.

The following is a summary of the conversation:

[Monge] What was the underlying reason for your leaving Sandinism?

[Cardenal] When I presented my resignation, I explained the reasons for it, particularly the latest developments here in the Sandinist Front. A few days ago party elections were held throughout the country, and all of them were rigged, manipulated, and controlled by a small group headed by (former president) Daniel Ortega, who has practically kidnaped the party, taken possession of its national leadership, and is supposedly the party's number one authority.

All of this has been controlled by a top-down, caudillo-style, authoritarian power structure run by Ortega and his group. I thus felt that it was my duty of conscience to resign from the FSLN, which is no longer the same one that I joined.

[Monge] In your explanation you underscored that since the congress last May the "Ortega faction" has taken over the FSLN. Yet Ortega won the internal elections back then. Are you saying that he won them fraudulently?

[Cardenal] That congress was completely rigged. Throughout the country the only groups that held assemblies were the ones that backed Ortega; the groups that did not were excluded. They held assemblies when the other comrades were not there or they made them extremely long, five, six and even seven hours, and when their adversaries left in the middle of the night, they seized the opportunity and held the voting.

They did this nationwide, so he won the elections by a quite wide margin. Also, many simple, humble peasants have always trusted the unquestionably very charismatic figure of Daniel Ortega, who has been a long-standing leader, and thus leaned towards the choices that they said he was backing or that they were dictating on his behalf. That is why he won.

[Monge] Your resignation means that in one way or another you are joining Sergio Ramirez or the so-called "Sergio" wing of the FSLN, which Ortega calls "Social Democratic and reformist."

[Cardenal] Yes, I have really been part of Sergio Ramirez' reform movement. I was among those at the top of the list of signers of the first document, and I agree with the stand that the FSLN has to renew itself. But in my case I felt that I had to leave the FSLN, whereas the other members of the movement do not feel that way for the time being.

Marxist and Christian

[Monge] You say, nevertheless, that you will remain a Sandinist and a revolutionary. You have even added other labels in defining yourself as a Marxist and a Christian....

[Cardenal] Yes, exactly. I have resigned from the party, which Daniel Ortega has currently ruined and from which the masses are withdrawing. This is why the group that Ramirez started to establish was called "for a Sandinism that will return to the masses." It also means a reform of Sandinism that will tailor it to present-day circumstances.

Meanwhile, they are trying to preserve a regressive party from the era of the single party and a false vanguard, because a party that has lost an election cannot call itself the vanguard of the people, and they are trying to preserve orthodoxy and what they themselves call the hard line. I personally will remain faithful to the ideals of Sandino and of the Sandinist Front of yesteryear....

[Monge] Another reason why you resigned, you say, is that the congress in May also failed to take up the issue of the "pinata," that is to say, the illicit enrichment of certain Sandinist leaders before they left power in 1990. Why should it have been discussed now, four years later?

[Cardenal] I am not saying that that was one of my reasons. I am saying that my resignation would not be complete if I did not mention the lack of ethics, the corruption, and the barefaced theft, in certain cases, of things that everyone can see. I will only cite as an example the fact that at the congress many people wanted the FSLN to adopt a transparent policy and to analyze this issue, to see who really committed abuses and who did not, because most did not.

But they, who were the main culprits, the perpetrators of these abuses, refused to have the issue brought up, and much of Nicaragua's population, not to say the entire population, was upset about this. As I said, things that everyone can see were stolen. Factories, mansions, summer homes, and so many tracts of land in the hands of people who have come up from poverty and who could not have acquired these things except by stealing them.

[Monge] The editor of the Sandinist newspaper BARRICADA, Carlos Fernando Chamorro (the son of President Violeta Chamorro), was fired yesterday, but he has said that he will remain in the Front to fight the internal battle. What do you think of this?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Cardenal] I think that it is fine. My decision was a personal one, and I am not urging anyone to follow my example. Others can do very effective things inside the party; they have other battles to fight. I am just a writer, a poet, and right now the best thing that I think I can do is to resign.

Living Symbol

[Monge] But besides being a writer and a poet, you are a living symbol of the Sandinism that waged the battle against Somozism. Accordingly, my question concerns what you are going to do in the future. Do you plan to join with Sergio Ramirez and create a party parallel to Sandinism? In short, what are your plans?

[Cardenal] I am in this movement to renew Sandinism, in close contact with Sergio Ramirez and the other comrades who make it up. Only, in my case I am now outside the structures of the party, whereas they, for the time being, are still on the inside.

[Monge] What are you going to do, for example, when new elections are held in late 1996? Do you plan to take sides in them?

[Cardenal] That is an unknown at this point, because they are a long way off. We do not know what situation the party is going to be in then, the FSLN of the Ortega faction, which is headed increasingly towards defeat, self-destruction, and political suicide. We do not know whether the party reform movement is going to be strong enough to run in the elections or whether the Front will simply disappear and Somozism will again be victorious in Nicaragua.

[Monge] Somozism, you say?

[Cardenal] Yes, there is no other alternative in Nicaragua: either Sandinism triumphs or Somozism takes power once again. The centrist parties are not a feasible alternative in this country, and the parties of the extreme right do not have a chance either except with a Somozist candidate.

Panama

President Announces Expulsion of Legislator From Party

PA2311192694 Panama City TVN Television Network in Spanish 1745 GMT 23 Nov 94

[Opening statement from a news conference by President Ernesto Perez Balladares, concerning extortion charges against Democratic Revolutionary Party legislator Mario Miller; at the Palace of the Herons in Panama City; from the "TVN Midday News" newscast—live]

[FBIS Translated Text] Good afternoon, Messrs. journalists. We summoned this news conference at noon today to quickly brief you on steps we are taking in two areas. First, I am of course referring to the case of Mr. Mario Miller [14-second break in reception] which, as you know, during the election campaign and even during my inauguration, we promised all Panamanian citizens that we would not permit, under any circumstances, any degree of corruption at any level of government.

This is why we have moved ahead in this unfortunate case within the framework of the law and the corresponding legal procedures. Panamanian justice will now determine the innocence or guilt of Mr. Mario Miller.

The second thing we are doing is taking political action—action I must take as secretary general of my party. Regardless of what Panamanian justice might determine, we, the National Executive Committee of the party, have asked our party's Honor and Discipline Tribunal, in view of this inappropriate political behavior and the subsequent discredit this individual action could bring about... [pauses] the National Executive Committee of our party has requested Mr. Mario Miller's expulsion from our party, and we have ordered the filing of a request before the Electoral Tribunal to nullify Mr. Mario Miller's mandate.

We wanted to take part in this action because, although this is the first such unfortunate case in my government, it reflects not only my determination and that of the entire government, but also of our party to ensure that public administration is handled with honesty and taintless clarity. We are doing this in order that all Panamanians can feel that these are not empty promises, that they are truly national commitments, and that we are starting an era of honesty and honor in all areas of government. This is an era we proudly share with our party. Thank you very much, Messrs. journalists.

Legislator Turns Himself In

PA2411032994 Panama City Circuito RPC Television in Spanish 2300 GMT 23 Nov 94

[From the "RPC Television News" newscast]

[FBIS Translated Text] Mario Miller, legislator for Bocas del Toro and a member of the Democratic Revolutionary Party [PRD], is under arrest at the Judicial Technical Police [PTJ]. Miller voluntarily turned himself in to the authorities after an arrest warrant was issued against him for his alleged links with an extortion case.

There is conclusive evidence implicating Legislator Mario Miller in an alleged case of extortion against a group of local businessmen according to the authorities. Here is PTJ Director Gabriel Castro:

[Begin Castro recording] Legislator Miller became a fugitive of justice the moment he refused to be transported to our institution. He turned himself in at the offices of the PTJ director today at 0500, in the presence of several legislators. [end recording]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The charges of extortion were filed by lawyer Carlos Augusto Villalaz before the Attorney General's Office. The name of the person who has masterminded the crime was not initially known:

[Begin Castro recording] A PTJ team carried out an operation in the vicinity of the restaurant Cinco Esquinas, where the plaintiff was going to deliver a briefcase containing a sum of money to the person who supposedly had made the extortion. The person who received the briefcase with the money was Legislator Mario Miller during the operation, to my surprise as well as to the other PTJ members. [end recording]

Castro has said the only way a legislator will automatically lose immunity is when he is caught red-handed, as is with the case of Mario Miller when he received a briefcase containing $100,000:

[Begin recording] [Castro] The briefcase is in the safe deposit box at the PTJ Directorate.

[Unidentified reporter] We understand the PTJ has a video of when Legislator Miller was caught red-handed.

[Castro] Filming is normal procedure in PTJ operations.

[Reporter] Legislator Miller did not have the briefcase in his hands when he was going to be arrested.

[Castro] I am not going to discuss where the legislator had the briefcase at the time of his arrest. Legislator Miller accepted the briefcase from the person who had to deliver it to him. If that is enough....

[Reporter, interrupting] Is there any other evidence in addition to the briefcase?

[Castro] I cannot mention any evidence. There are reservations on the case as I said before, and he is presumed innocent even though he was caught red-handed. It is not up to me to determine whether he is guilty; that finding is up to the courts.

[Reporter] How many people have been arrested so far?

[Castro] I believe there are five others in addition to Legislator Miller.

[Reporter] Any women?

[Castro] No, only men.

[Reporter] Any other legislators?

[Castro] No other legislators. [end recording]

Legislator Comments on Arrest

PA2511043594 Panama City Telemetro Television Network in Spanish 1730 GMT 24 Nov 94

[Report by Francilino Diaz; from the "Telemetro Reports" newscast]

[FBIS Translated Text] The Miller case continues to monopolize public opinion. The legislator reiterated his innocence today from the Judicial Technical Police [PTJ], where he is being held.

Legislator Mario Miller, who was arrested during the predawn hours on 23 November and charged with extortion, said powerful sectors in the country are trying to silence his denunciations, and he said he feels confident he will be freed during the next few hours.

The legislator from Bocas de Toro Province said time will prove his innocence, because the evidence claimed to prove his guilt does not exist:

[Begin Miller recording] They have not been able or will be able to prove anything on this alleged extortion, that there was a briefcase, that I was exerting pressure, that there was money. Let them show the video if they have it. I challenge them. If the businessmen exist, they should come forward. Why would they hand me $100,000? For what reason? If they are giving me $100,000 it means corruption does exists deep down. [end recording]

Meanwhile, Democratic Revolutionary Party [PRD] President Gerardo Gonzalez has said the party's CEN [Central Executive Committee] has requested that the Honor Tribunal carry out an investigation and issue a report on the Miller case. The party has already begun a political trial against Miller for his conduct:

[Begin Gonzalez recording] The party's Honor Tribunal is elected by the party's national congress through a secret vote the same way the CEN is also elected, by secret vote the same day and by the national directorate. In other words, the honor tribunal is the party's only legal authority to judge and decide on a case such as this. Once the Honor Tribunal proceedings end, the CEN will request that work should start with the Electoral Tribunal to repeal Miller's mandate if he is found guilty, as is stipulated in the electoral code, the Constitution, and PRD statutes. [end recording]

Miller, who is under arrest in PTJ facilities, will be questioned this afternoon by Prosecutor Adolfo Montero.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Argentina

SIDE Second in Command Meets Syrian Intelligence Officers

PY2811190394 Buenos Aires CLARIN in Spanish 27 Nov 94 p 11

[FBIS Translated Text] Rodrigo Toranzo, the SIDE [Secretariat for State Intelligence] second in command, has met with the heads of Syrian intelligence who operate in the al-Biqa' Valley, where the pro-Iranian Hizballah has its headquarters. Hizballah is being blamed for the attacks on the AMIA [Argentine-Israeli Mutual Association] and on the Israeli Embassy in Buenos Aires. Argentine President Carlos Menem and his Syrian counterpart Hafiz al-Asad arranged this meeting.

SIDE's number two Rodrigo Toranzo met with the chiefs of intelligence of the Syrian troops that guard the area where the Lebanese pro-Iranian Hizballah operates. Toranzo's objective was to obtain information about the attack on the AMIA.

Toranzo came to Syria last week with President Menem's entourage. Once the meeting was agreed upon, he left for Lebanon.

Hugo Anzorreguy's second in command may have also contacted other intelligence organizations that know about the Hizballah camps from which offspring terrorist groups like the "Warriors of God" ["Guerrilleros de Dios"] operate. The latter organization at one point issued a communique (which was denied afterwards) claiming responsibility for the AMIA bombing that killed 86 people on 18 July.

CLARIN's sources declined to answer whether Toranzo had also met with members of Hizballah, which has officially denied having had anything to do with the bombing.

Argentine courts and intelligence services are focusing on Hizballah satellite terrorist groups, the so-called "Iranian lead."

According to an investigation conducted in Argentina and supported by Israel and the United States, Iran is directly involved in the AMIA attack and the destruction of the Israeli Embassy in Buenos Aires in 1992.

Government sources told CLARIN that Toranzo's contacts in southern Lebanon were the first display of the cooperation that Syrian President Hafiz al-Asad promised to his Argentine counterpart Menem during the meetings they held early last week in Damascus.

At one of these meetings al-Asad reiterated that his country—which has yet to sign a peace agreement with Israel, and does not recognize Israel as an independent state—condemns the AMIA bombing.

As soon as Toranzo arrives in Buenos Aires early this week, he will meet with Ansorreguy to "brief him in depth."

Anzorreguy's second in command is the first Argentine intelligence agent to enter the conflict-ridden area, which is looked upon as a "no man's land." The Syrian Army, a Christian Maronite army controlled by Israel, and a number of Arab terrorist and guerrilla groups operate there.

Ever since Israel occupied southern Lebanon in 1982, Syria has kept a permanent military force in the Bekaa Valley.

Toranzo's mission is the first attempt to approach Arab intelligence services, because so far Argentina has had support only from the U.S. CIA and the Israeli Mosad.

Menem 'Satisfied' With U.S. Envoy Explanation

PY2811114494 Buenos Aires TELAM in Spanish 0023 GMT 27 Nov 94

[FBIS Translated Text] La Rioja, 26 Nov (TELAM)—President Carlos Menem reiterated his support for Economy Minister Domingo Cavallo on 26 November, adding that he is satisfied with the explanation by U.S. Ambassador James Cheek on the Post Office Privatization Bill.

Menem pointed out: "I support (Domingo) Cavallo in his specific duties as economy minister since I believe he is the best minister the Argentine Republic has ever had."

During a news conference at La Rioja Province Government House shortly before leaving for Anillaco, Menem denied that Cavallo had decided to remain in his post under certain conditions.

"He did not broach that subject to me," said Menem, adding: "Only God and the people impose conditions on the president of the Republic."

He said Cavallo "is the best (economy) minister the Argentine Republic has ever had."

Commenting on the controversy between Cavallo and Justicialist senators over the bill to privatize the Post Office, Menem said: "It would be totally wrong to become involved in a controversy in which charges are being leveled by both sides. The president of the Republic will not play this game."

Menem said he is "satisfied" over the explanation by the U.S. ambassador on the Post Office privatization bill, which has already been approved by the Senate.

At the invitation of Foreign Minister Guido Di Tella, Ambassador Cheek went to the Foreign Ministry on 25 November to explain his criticism of the Senate approval of the Post Office privatization bill.

Menem emphasized: "Our relations with the United States are the best ever."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Menem also denied alleged attempts, through the U.S. Embassy, to pressure the government over the Post Office privatization.

He said "neither the United States nor anyone else" has exerted any pressure on the Argentine Government.

Menem noted that Ambassador Cheek "told me he did not make any remark on this issue, and that the fax or cable that allegedly contains his remarks was misquoted."

Menem said: "I am satisfied with this explanation," adding: "Cheek should defend his government, not just any company in particular."

Menem this morning dedicated the new "Enrique Clara" Business School building in La Rioja City.

Later he lunched with Governor Bernabe Arnaudo and his closest aides at the official residence.

The president rested in the afternoon until 1700, when he watched a televised soccer game between River Plate and Espanol.

President Menem Discusses Miami Summit Agenda

PY2911004494 Buenos Aires TELAM in Spanish 1847 GMT 28 Nov 94

[FBIS Translated Text] Buenos Aires, 28 Nov (TELAM)—President Carlos Menem and Raul Granillo Ocampo, Argentine ambassador to the United States, today analyzed several proposals Argentina will carry to the hemispheric summit in Miami on 9 and 10 December.

"It will be very important to define our country's role and position at the continental meeting and in the final declaration," Granillo Ocampo said at the end of his meeting with Menem at Government Palace.

Granillo said the final Miami declaration "is not only a declaration of principles. It has an action plan aimed at coordinating the activity of economic mechanisms, which is what interests us the most."

The ambassador said the declaration "will not only effectively include the political will of 34 countries to advance in the area of regional integration," but will also establish a working mechanism to facilitate the process that will include a number of meetings.

Granillo said the discussion is about "whether integration will be accomplished by incorporating NAFTA as the leading economic region or by establishing coordinating mechanisms among all regions, taking into account the benefits each region can provide."

Granillo Ocampo explained that his discussion with President Carlos Menem centered on aspects of the summit's agenda and on Argentina's position with regard to certain aspects that were not yet incorporated into the final declaration.

The ambassador said there are no deadlines to implement an American integration, but we are going to have "six or seven meetings, beginning in July of next year, to advance in this area."

Granillo said there will be "a particularly important meeting in March 1996 involving commerce ministers, who will seek concrete definitions."

Menem Champions Chile Joining Mercosur

PY2811114294 Buenos Aires TELAM in Spanish 0251 GMT 26 Nov 94

[FBIS Translated Text] Buenos Aires, 25 Nov (TELAM)—President Carlos Menem tonight emphasized the need to promote Chile's entry into Mercosur [Common Market of the South]. He asked Chilean and Argentine entrepreneurs to cooperate in this task.

Menem advocated enhancing relations between the two countries and the establishment of "a bioceanic geographic and economic region."

Menem referred to the recent dedication of an Argentine-Chilean oil pipeline and announced that a gas pipeline between the two countries wil be inaugurated next year.

Addressing a forum of entrepreneurs from the two countries, the president highlighted the need to promote "Chile's quick entry into Mercosur." He asked Argentine and Chilean entrepreneurs "to help us in this task."

Menem said: "It is necessary to penetrate the Andean mountains, bringing them closer. This is our current challenge. The Argentine and Chilean nations no longer want the disagreements that have separated us, like those that placed us on the brink of war 10 years ago."

Menem also focused on the EU task, "of possibly forming a free trade zone with Mercosur."

Cultural, Educational Accord Signed With Cuba

PY2811211394 Buenos Aires TELAM in Spanish 2219 GMT 26 Nov 94

[FBIS Translated Text] Havana, 26 Nov (TELAM-SNI [International News Service])—On 26 November Argentina and Cuba signed a cultural and educational agreement to exchange artists, intellectuals, experts, and scientists.

This agreement will regulate the cultural relations between the two countries. It provides for mutual recognition of academic degrees and the possibility of organizing art shows and academic courses.

Kive Staiff, cultural affairs director of the Argentine Foreign Relations Ministry, and Carlos Zamora, director for Latin American Affairs of the Cuban Foreign Ministry [name and title as published], led the delegations of their respective countries.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

According to EFE, Staiff stated that the agreement would make a significant contribution to the development of Cuban-Argentine relations. He said: "I hope that it will help us get to know and understand each other better, and we will do everything necessary to strengthen the democratic institutions of the two countries through culture."

Argentine Ambassador to Havana Susana Grane, who was also part of the Argentine delgation, said that Argentines and Cubans "talked and understood each other pefectly." She added: "There are many plans and projects to teach Cuban history in Argentina and Argentine history in Cuba by exchanging teachers and students."

The Argentine ambassador was of the opinion that the recent visit of 29 Argentine university rectors to Cuba was very important, and indicated that a great deal of cultural and educational activity is expected to follow their visit to Havana.

Cordoba Businessmen View Southeast Asia Markets

PY2811162194 Buenos Aires TELAM in Spanish 0743 GMT 28 Nov 94

[FBIS Translated Text] Bangkok, 28 Nov (TELAM-SNI)—Argentina is attempting to worm its way into the competitive Southeast Asian market to sell its products. At the same time it is trying to attract investment. With these objectives in mind, the Chamber of Foreign Commerce of Cordoba Province is advertising the advantages of Mercosur [Common Market of the South].

Cordoba Province Vice Governor Edgardo Grosso, leading a delegation of Cordoba businessmen, ended a successful business tour of Southeast Asia this weekend.

Grosso told EFE in Bangkok: "In every country we have visited, local businessmen displayed a great deal of enthusiasm."

The multisector delegation of high-ranking foreign trade officials and some 15 businessmen met with executives of key companies in Shanghai (China), Malaysia, Indonesia, Singapore, and Thailand. The Cordoba Chamber of Foreign Commerce signed memoranda of understanding with local chambers of commerce in every one of these places.

Cordoba Foreign Trade Secretary Julio Alberto Caceres explained: "So far we have been exporting raw materials, but now we are trying to open up markets for manufactured goods." He added: "The technology that we manufacture is what is needed most here."

The people in charge, however, admitted that the distance and the fact that the parties do not know each other well hamper trade and investments.

Grosso explained: "The lack of mutual knowledge is the main problem; that is why we want them to get to know us, and we have come to get to know them."

In addition to opening up new markets, the delegation sought to awaken the interest of local businessmen by informing them about Argentina's potential for investments and the opportunities that Mercosur will offer.

Grosso said: "Cordoba's strategic location makes it the ideal gateway to the Mercosur countries (Argentina, Brazil, Uruguay, and Paraguay)."

He also explained that he is leading this delegation because the provincial administration wants to give every assurance that the participating companies are reliable, and prevent the recurrence of past displays of unprofessionalism. Grosso said: "Our businessmen must abide by international standards of behavior to be able to compete both in Argentina and abroad."

The return of the delegation coincided with the beginning of the seminar "Exporting to Southeast Asia" in Cordoba. Argentine ambassadors and commercial officers assigned to Southeast Asian countries are participating in this seminar.

Editorial Views Problems, Advantages of APEC Forum

PY2311145494 Buenos Aires LA NACION in Spanish 22 Nov 94 p 8

[Editorial: "Proposals for the Pacific Basin"]

[FBIS Translated Text] The second summit of the Asia-Pacific Economic Cooperation forum (APEC) that was held last week in Jakarta, Indonesia, once again demonstrated that the governments of the participating countries are committed to the objective of the area's economic integration, but at the same time they are divided by the defense of private interests and by political differences.

The APEC now has 18 members with the recent incorporation of Chile, and the forum extends from one side of the Pacific to the other. The APEC's members include such giants as the United States, China, and Japan, and members that have minuscule territories, such as Brunei and Singapore—the world's two largest economies together with the very little developed economy of Papua New Guinea, and firmly established democracies rubbing elbows with dictatorships and autocracies of various types.

It is obvious that the coordination of efforts between such dissimilar partners will encounter numerous difficulties. But, there is also a powerful element for unity: The dynamism of an area that is registering the most rapid and sustained economic growth in the world.

President Clinton, who traveled to Jakarta for the meeting, reiterated the U.S. commitment to human rights, but he rejected the idea that "economic ties with regard to trade and membership in associations negatively affect our commitment to human rights." This is equivalent to guaranteeing that even while continuing to

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

consider the restriction of individual freedom in China, Washington will maintain its trade relations with that country.

Clinton also said that for him and his country, the APEC's agenda "is a long-term agenda." And, the terms that have been set by the heads of state who met in Jakarta are really long terms. The objective of liberalizing trade and the flow of investment between member countries will be achieved in the year 2020. It is hoped that the richer countries of the group will complete the process in the year 2010, but it will be necessary to wait another 10 years before the underdeveloped achieve the objective.

In a period of 25 years the Asian countries must do away with protectionist practices and implement patent laws that will do away with the systematic violations of intellectual rights. The presence of such nations as the United States, Canada, and Australia can be a motivation for the implementation of the necessary changes. At this time, countries such as China and Malaysia are benefiting from the opening of the U.S. market while they continue to strongly protect their own industries.

This is why it is important to obtain, as soon as possible, some concrete advances that are independent of the APEC's ambitious agenda, which, from now to the year 2020, could encounter serious political obstacles in countries undergoing structural changes.

China's becoming a member of the GATT will be a decisive step. While the presidents of the Pacific countries were meeting in Jakarta, there were advance talks regarding China becoming a member before the end of the year. If this is not possible, there is a European initiative to allow China to be considered, at any rate, a founding member of the GATT with a temporary suspension of its rights until negotiations are completed.

Despite the slow progress, the Jakarta meeting is an example of a most firm and ever-increasing tendency toward integration in the world's economy. This tendency not only springs from decisions made by the politicians; it responds to a firm verification of the advantages that it can give to trade and the economy.

Grand Front Leaders Sign Accord To Prevent Split

PY2411184294 Madrid EFE in Spanish 1427 GMT 24 Nov 94

[FBIS Translated Text] Buenos Aires, 24 Nov (EFE)—It was reported today that the center-left coalition Grand Front (FG), a growing opposition force in Argentina, will elect its presidential candidates for the 14 May general election through a popular consultation open to all citizens.

The popular consultation mechanism is included in an agreement signed last night by the most important FG leaders, Deputy Carlos "Chacho" Alvarez and Senator Jose Octavio Bordon. Both legislators will be included on the FG presidential ticket.

The internal election will be conducted at the end of February and will determine which of the two candidates will run for president and who his running mate will be.

Alvarez and Bordon committed themselves to tour the country together during the electoral campaign, in a situation that has them as allies and competitors at the same time, at least until the popular consultation is carried out.

Both leaders dropped out of the Justicialist Party (Peronist) in disagreement with Argentine President Carlos Menem's social and economic policies. Menem will seek reelection in the 14 May 1995 election.

The agreement put an end to weeks of uncertainty, seasoned by multiple journalistic reports on a possible rupture of the alliance, caused by the difference in opinions on how to resolve the issue of the presidential candidate.

Bordon and Alvarez head an alliance that also includes socialists and members of the Christian Democratic Party.

During the election of convention delegates in April, the FG suddenly surged ahead as the third electoral force in the country. The FG won in the capital and ended up second, after the Justicialist Party, in Buenos Aires Province.

FG leaders are closely monitoring the Radical Civic Union (UCR) internal election because of the possibility of reaching an agreement to run against Menem together. The UCR is the main opposition party in the country.

On 27 November the UCR will elect its presidential candidate, choosing between National Deputy Federico Storani and Rio Negro Governor Horacio Massaccesi.

Some weeks ago Storani met with Alvarez and Bordon. A spokesman said on that occasion that the three politicians had made a similar analysis of Argentina's social situation and agreed on the need to implement certain political measures to fight the most urgent problems facing the country.

The popular consultation convened by the FG will be open to all citizens, that is, to coalition members, independents, and members of other political forces.

Bolivia

Private Banking System 'Shaken' by 2 Bankruptcies

PY2811211494 Madrid EFE in Spanish 1708 GMT 28 Nov 94

[FBIS Translated Text] La Paz, 28 Nov (EFE)—The Bolivian private banking system was shaken again today

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

after the closure of Banco Sur, a few days after it was learned that the Bank of Cochabamba is bankrupt.

EFE learned today that the offices of Banco Sur, which is comprised of the Bank of Beni Cattlemen (BigBeni) and the Industrial Bank Incorporated (BISA), did not open today, while its main executives are meeting with officials of the Superintendency of Banks in La Paz.

The executives of Banco Sur told their clients that they will be able to recover their money in 90 to 450 days, in cash and in negotiable stock market bonds, according to the amounts deposited.

On 24 November the offices of the Bank of Cochabamba were flooded with clients who wanted to withdraw their deposits.

Sources in the banking system told EFE that day that the Bank of Cochabamba was absolutely bankrupt, and that negotiations had begun to have the bank absorbed by another bank or liquidated.

Monetary authorities and officials at the Superintendency of Banks did not deny the bankruptcy, but said publicly that there was no reason for concern. Bolivian President Gonzalo Sanchez de Lozada blamed the media for the fear created among clients of the Bank of Cochabamba, and especially among the public in general.

The offices of the Bank of Cochabamba were closed and under police protection this morning, while people waited in long lines in front of the bank hoping to withdraw their deposits. Banco Sur is also closed.

According to figures from the Superintendency of Banks, the Bank of Cochabamba had registered a loss of 19 million bolivianos (about $4 million) through 31 May 1994.

Banks Put Under State Control

PY2911011694 Madrid EFE in Spanish 2113 GMT 28 Nov 94

[FBIS Translated Text] La Paz, 28 Nov (EFE)—The Bolivian financial system received today its hardest blow of the last few years in the history of this country with the bankruptcy of two private banks, the Banco Sur and the Bank of Cochabamba, which are now under state control.

The Bolivian Superintendency of Banks today issued instructions for the forced liquidation of the two banks, which are now under its absolute control.

This measure was adopted after President Gonzalo Sanchez de Lozada on 25 November told the clients of the Bank of Cochabamba to be "calm" and blamed the media exclusively for the general alarm created around the issue of the critical situation of the two banks.

Sources in the banking system told EFE that the bankruptcy of the two banks, which shows the weakness of the Bolivian economy, will be covered using resources of the National Treasury (TGN), which will in turn affect the country's debt situation.

The same sources indicated that in these two cases, the officials of the country's economic sector and of the Superintendency of Banks, in particular, acted "irresponsibly" because they had the obligation to more strictly control the activities of those banks which for months showed deficiencies in their assets.

The sources added that the debt of the Bolivian banking system is $140 million, which makes the debt of some banks "unbearable."

The same source said that among the 15 Bolivian banks, only six enjoy a solid financial situation.

They also warned that the government must clearly explain the situation of the savings and loan associations because "of the 13 in the country, only three have guaranteed resources."

They also reported that the construction sector is affected by the money owed by the state, which exceeds $21 million nationally.

On 24 November, the Bank of Cochabamba was flooded with clients who, alarmed about the rumors of its critical financial situation, wanted to withdraw their deposits.

That same day, EFE reported that the Cochabamba Bank was in absolute bankruptcy and that negotiations had begun on the bank's absorption by another bank or its liquidation.

Publicly, however, officials of the Central Bank and the Superintendency of Banks, who did not deny the bankruptcy, labeled the bank problems as "only an administrative fault," while President Sanchez de Lozada said there was no reason for concern and made the media responsible for the general alarm.

According to the official figures of the Superintendency of Banks, the Bank of Cochabamba registered a loss of about $4 million up to 31 May 1994.

The other bankrupt bank, the Banco Sur, was created one year ago with the merger of the Bank of Beni Cattlemen (BigBeni) and the Industrial Bank Incorporated with the Bolivian Investment Bank Incorporated (BIBSA), which is the third ranking bank in Bolivia in terms of fixed deposits.

The Banco Sur received $160 million in fixed deposits because it paid higher interest rates than other banks.

The assets of the Banco Sur are equivalent to $15 million, according to figures of the Superintendency of Banks, which also reported that the bank's losses up to 31 August 1994 totaled $6.12 million.

According to official figures, the Banco Sur had, up to August of this year, a debt of $46 million (218 million bolivianos) with the Bolivian Central Bank, while its

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

obligations with the private financial system exceed $32.4 million (152.6 million bolivianos).

Brazil

Armed Forces Intelligence Checking on Hizballah Presence

PY2911030094 Rio de Janeiro JORNAL DO BRASIL in Portuguese 26 Nov 94 p 12

[By Leandro Fortes]

[FBIS Translated Text] Brasilia—The Armed Forces intelligence services have intensified investigation of the presence in southern Brazil of Arabs linked to the fundamentalist pro-Iranian Hizballah movement. Last week Israeli Defense Minister Mordechai Gur [name and title as published] reported on the presence of these groups on the Paraguayan and Argentine borders and held them responsible for the attack on the Argentine-Israeli Mutual Association in Buenos Aires on 18 July. During this attack, 95 people died.

According to an officer linked to the Armed Forces intelligence community, the terrorists have infiltrated the large Arab community living in the region. He added that, terrified by the Hizballah actions, the community has been "closing its eyes" to the presence of these groups. According to the officer, these terrorists' bases for training and strategic planning have still not been detected, but are probably located in Paraguayan territory.

The most recent confidential reports sent to the Armed Forces High Command indicate that the terrorists' presence in the region began to increase in 1975, when the construction of the Itaipu hydroelectric dam promoted the migration of Lebanese businessmen to the region. A military source has reported that the first to arrive were the Sunni Muslims, who are traditional businessmen in Lebanon, and this had the effect of encouraging the migration of Shiites. The Shiites are fundamentalists who have been the main protagonists of anti-Semitic attacks worldwide.

The military, however, is having great difficulty infiltrating agents into the region. According to an officer, these Arab communities are very closed; they always communicate in their native tongue, and do not allow the habits of any of the three countries to influence them.

Unable to act directly in the Arab communities, the military is working with the Federal Police to discover links between the Hizballah and weapons smugglers and drug traffickers in Brazil. The idea is to locate the terrorists' hideouts based on this premise.

Accords With Peru Envision Increased Trade, Investment

PY2411160994 Sao Paulo GAZETA MERCANTIL in Portuguese 22 Nov 94 p 6

[Article by Sandra Gomide]

[FBIS Translated Text] Sao Paulo—In Sao Paulo today, Brazilian and Peruvian businessmen from the industry and commerce sectors will sign two cooperation agreements to initiate a bilateral process to increase trade exchange and Brazilian investments in Peru.

Peru's main feature with regard to attracting foreign capital is the equal treatment given by the Peruvian Government to national and foreign investments. "Competition is on an equal basis and that is the result of a total market opening implemented by President Fujimori's administration," said Peruvian Ambassador to Brazil Alejandro Gordillo.

With a total of 22 million inhabitants, Peru will end the year with a GDP of $28 billion and an annual population growth rate of 4.2 percent. Its main trade partners are the United States, Japan, and Germany, but the Peruvian Government is making an effort to form closer ties with the four member countries of the Mercosur [Common Market of the South]—Argentina, Brazil, Uruguay, and Paraguay.

Peruvian production is concentrated in the industrial sector (22.3 percent), commerce (13.6 percent), and agriculture and livestock (12.8 percent), among others, including fishing and mining. Last year exports amounted to $3.4 billion and imports to $3.9 billion.

The meeting with the Brazilian businessmen will continue on 23 November in Rio de Janeiro. The first visit by Brazilian businessmen to Peru is scheduled for May 1995. "We do not have specific sectors in which to make investments. Everything to increase and improve our industry, from minerals to state-of-the-art technology to increase production, is welcome," the ambassador said.

UK Envoy on Brazilian Market for Falklands Oil

PY2311231394 Buenos Aires TELAM in Spanish 2035 GMT 22 Nov 94

[FBIS Translated Text] London, 22 Nov (TELAM-SNI)—Brazilian Ambassador to London Rubens Barbosa announced today that Brazil would be one of the main buyers of any Malvinas Islands oil if plans for exploiting it outside the exclusion zone prosper.

"If there is oil and an international commercial offer, Brazil will reduce its purchases of Middle East oil over the next 10 years," Barbosa told the local press.

The ambassador added that Brazil is one of the largest oil importers in the world and is interested in the exploitation of Austral Region resources.

"The problems (of sovereignty) between Great Britain and Argentine will not interfere in oil exploration efforts," the diplomat said, according to a wire from the British news agency REUTER.

Barbosa announced that the Brazilian oil company Petrobras [Brazilian Petroleum Corporation] is drilling for oil outside of the exclusion zone near the South Atlantic islands.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The ambassador said that Petrobras directors are considering the possibility of an association with Argentine capital to explore and prospect for oil in the region.

"If a bidding is organized, Petrobras and other Brazilian companies will be interested in supplying equipment," Barbosa said.

Brazil has the largest economy in Latin America, consuming some 1.2 million barrels of oil per day, and imports between 55 and 60 percent of its oil needs.

In 1993 Brazil imported a total of $700 million worth of Argentine oil.

Embassy sources said that the main Brazilian Middle East oil suppliers are Saudi Arabia, Iran, Kuwait, and Qatar.

Barbosa said his country is analyzing the possibility of increasing its imports from Argentina, seeking to balance the two countries' bilateral trade.

"It is very important for Argentina's trade balance that it has oil and that we import it," the ambassador said.

At the end of last month the Malvinas Island government agreed to beginning oil exploration and exploitation around the islands.

British and Argentine negotiations to explore for oil in the region have developed very slowly. The negotiations leave aside the conflicting issue of the islands' sovereignty, which sparked a war in 1982.

Barbosa recalled that any oil exploration agreement must be approved by the islands' inhabitants.

The ambassador ruled out, however, that the issue of sovereignty would hinder the process of oil exploration, adding that the matter "will be considered a commercial operation."

"It will not be a political decision, but an ad hoc decision based on the way the British Government presents the offer and how Argentina reacts to it."

Cardoso To Visit PRC, Learn About Budgetary Matters

PY2311163394 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 23 Nov 94

[FBIS Translated Text] One of the first trips abroad President-elect Fernando Henrique Cardoso will take after being installed will be to the PRC. He has been invited by Qiao Shi, chairman of the Standing Committee of the National People's Congress of China.

Cardoso showed interest in learning about administration in the PRC, particularly with regard to how the central government and the provincial governments draft their budgets and allocate the budgetary resources.

Industrialists Take Aim at Mercosur

PY2711234394 Sao Paulo GAZETA MERCANTIL in Portuguese 24 Nov 94 pp 1, 8

[By Marcia Raposo in Sao Paulo]

[FBIS Translated Text] Now that the Common Market of the South [Mercosur] will become a reality in a little more than a month, and negotiations over the last norms, fees, and tariffs—particularly between the governments of Brazil and Argentina—are almost finished, Brazilian industrialists' concerns about the country's participation in Mercosur seem to have dissipated.

The reason for that is simple: Brazilians believe integration will be advantageous for the country. The size of Brazilian industry, which is the basic reason for lower Brazilian costs and greater production, is practically twice that of Argentina, and helps the country to better compete on the international market. In 1993 the Brazilian industrial product totaled $164 billion (36 percent of GDP] while that of Argentina was $79 billion (31 percent of GDP).

Brazil's size has helped it lead the process of integration with the Argentine market. Here are several examples:

The Dupont Company has since 1987 been rationalizing and integrating its operations in Brazil and Argentina, merging them into a single business. Dupont now has a "regional forum" for decisionmaking purposes. Its board for South America is based in Sao Paulo, and consists of 17 members, 10 of whom are Brazilians. Jorge Nelson Rosas, who presides over the "forum" and the Brazilian operations of the U.S. chemical giant, said: "Brazil is undoubtedly the decisionmaking center in the region." In 1993, Brazil accounted for $500 million of the total of $900 million in Dupont sales in South America. Argentina accounted for $180 million, and Chile $35 million. Sales by Rhodia, a large multinational company controlled by the French group Rhone-Poulenc, are expected to total $1.2 billion this year, while those of its sister Argentine company are expected to total only $120 million, according to Rhodia President Edson Vaz Musa. Rosas said: "There is a market of 60 million consumers with an annual per capita income of between $5,800 and $8,800 residing in the area encompassing southern and southeastern Brazil and greater Buenos Aires. This is why it is possible to see so many BMW's and luxury Japanese cars on the streets of Sao Paulo. Irrespective of which side of the border the production comes from, these consumers must receive worldwide accepted standards of price and quality."

Vicunha, the largest Brazilian textile group, has discontinued its production of wool fabrics and thread since the signing of the Treaty of Asuncion. Vicunha executive Jack Rabinovich said: "Argentina has a clear production edge in light of its sheep stock and cold weather..." Instead, Vicunha has control over 75 percent of nylon operations (formerly Ducilo) in partnership with Dupont

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Argentina. Vicuna also opened a "trading" office in Buenos Aires to import and export textiles.

Sharp, of the Machline group, is in contact with Sharp Argentina, a major importer of Japanese products. Jorge Roberto do Carmo, director superintendent of Sharp, said: "We have held discussions with our Japanese partners, and noted that the sizes of our factories in Sao Paulo and Manaus will play a key role in the integration process. We are also negotiating with the Argentines on how marketing will be conducted within Mercosur after 1 January."

Jose Ermirio de Moraes Neto is president of the Votorantim group, which controls at least 40 percent of the 25 million tonnes of cement produced in Brazil. He announced that Votorantim has already contacted its Argentine counterparts. The leading Argentine cement manufacturer is Loma Negra (Clasa), accounting for 54 percent of the 5.65 million tonnes of cement produced in Argentina in 1993.

In the area of paper and cellulose, the Brazilian production capacity compared to that of Argentina is even higher: Brazil manufactured 5.31 million tonnes of paper in 1993 as compared to 926,4OO tonnes in Argentina. Brazilian production of cellulose totaled 5.47 million tonnes in 1993, compared to the 649,000 tonnes produced by Argentina. These figures were released by the National Association of Paper and Pulp Manufacturers (ANFPC) and by its Argentine counterpart.

Brazilian chemical and petrochemical production—excluding manufactured products such as fertilizers, medicines, paint, varnish, and others—totaled 24.1 million tonnes in 1993, as compared to 4.78 million tonnes manufactured in Argentina, which resulted in income totaling $12 billion and $3 billion respectively. Guilherme Duque Estrada, director of Abiquim [Brazilian Association of the Chemical and Byproducts Industry], reported that during this week's meeting of the Latin American Petrochemical Association (APLA), Uruguayan businessmen commented on the Brazilian-Argentine negotiations. They said: "If we do not want to be squeezed out by Argentines and Brazilians, we need to quickly learn how to become shrewd businessmen."

In the food and beverage industry—in which the Argentines are clearly capable of competing internationally—Brazilian production of food (83 percent) and beverages amounted to $47.6 billion in 1993, while Argentine production, which also included cigarettes, totaled almost $26 billion; that is, a little over 10 percent of its GDP.

Today, four years since the signing of the Treaty of Asuncion, most of the Brazilian companies have already identified two or three of their leading Argentine competitors. They are not, however, as familiarized with their Argentine competitors as they are with the figures, technology, installed capacity, and financial status of their leading U.S., Japanese, and European competitors. Partnerships are expected to rise markedly after the implementation of the "customs union" in January 1995.

Furthermore, the Brazilian manufacturers are entering into Mercosur after a certain degree of protection "was restored" to some products, such as sodium chlorine, some Brazilian-made machinery similar to imported kinds, several types of paper and cellulose, and other chemical products, the import duties of which had been reduced to zero in keeping with the government's domestic efforts to curb inflation. As a result of the "adjustment" of those Mercosur tariffs, regarding which the other partners demanded greater protection, the tariffs for some of those items having a zero import duty have risen to between 5 and 8 percent, thus giving a certain sense of relief to Brazilian manufacturers. Yet the tariffs for 233 Brazilian items on the list of Common External Tariff (TEC) exemptions have, in comparison, been again reduced by an average of 14-20 percent of the TEC.

Finance Ministry adviser Alexandre Tombini participated in the negotiations with the governments of Argentina, Uruguay, and Paraguay. He said: "Because it is the dog who wags his tail and not the other way around, Mercosur tariffs will follow Brazilian tariffs, which will serve as parameters for the future."

Wolfgang Springer, a German representative before the EU and an observer to NAFTA and Mercosur, said recently that the EU has great interest in the consolidation of Mercosur. Speaking at a seminar on Mercosur in Sao Paulo, Springer said: "It may not be very easy because we, who were virtually the same size as Mercosur, did fight a lot. The size of Brazil in the region will be an important factor."

Mario Amato, president of the National Industrial Confederation (CNI), said: "One cannot fail to seek to promote integration. In a globalized economy, a solution for us—Brazilians, Argentines, Chileans, and other industrialized countries in the region—would be to unite to gain strength."

Cardoso To Devote 'Special Attention' to Social Area

PY2911114594 Rio de Janeiro JORNAL DO BRASIL in Portuguese 26 Nov 94 p 3

[Article by Marcia Carmo]

[FBIS Translated Text] Brasilia—Pharmacist Euclides Scalco, former deputy for the PSDB [Brazilian Social Democracy Party], has been chosen by President-elect Fernando Henrique Cardoso to command the government social area, which will lose ministerial status and will be transformed into a secretariat directly linked to Planalto Palace. The same thing will be done to the Ministries of the Environment, Regional Integration,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

and the Strategic Affairs Secretariat (SAE). They will become secretariats headed by experts or former congressmen.

Cardoso wants special attention paid to social matters. He plans to develop projects begun by President Itamar Franco. To do that, he wants someone in his entire confidence—a "super honest" man, as one of his advisers defined. Scalco was secretary during the administration of Jose Richa [former Parana State governor]. Born in the state of Rio Grande do Sul, Scalco's political life was spent in Parana. In Cardoso's administration he will coordinate the program Community in Solidarity [Comunidade Solidaria], which is the future president's main project for the social area.

By choosing Scalco, who cooperated in coordinating his presidential campaign, Cardoso already has a list of at least five people invited to make up his team. For the Finance Ministry, he appointed Pedro Malan, current Central Bank president; for the Planning Ministry, he appointed Paulo Renato Souza, the main responsible for the government program presented during the electoral campaign; diplomat Sergio Amaral has already accepted to be Cardoso's spokesman; Edmar Bacha will probably head the BNDES [National Bank for Economic and Social Development]; and Scalco will not head the social welfare area only if he does not want to.

The president-elect's close advisers believe that Cardoso will report on his cabinet between 11 and 20 December upon returning from his trip to Miami, where he will attend, together with President Franco, the Summit of the Americas. It is also certain that Cardoso is considering such people as Deputy Gustavo Krause (Liberal Front Party, Pernambuco), who lost the Pernambuco State gubernatorial elections but is very much respected by the current president, and Reinhold Stephanes (PFL-PR) [PFL, Parana]. Cardoso does not agree with the ministerial status President Franco gave to the SAE, which is currently headed by Admiral Mario Flores. As a matter of fact, Flores' appointment has been one more example of special political influence in making up Franco's team. Flores was allegedly chosen because he interceded for Franco among the military, and thus helped him become installed after Collor's impeachment.

Article Examines $32.7 Billion Sao Paulo State Debt

PY2911113194 Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 Nov 94 Section 1 p 18

[Article by Fernando Canzian]

[FBIS Translated Text] Sao Paulo Governor Luiz Antonio Fleury Filho (PMDB) [Brazilian Democratic Movement Party] will leave debts of over $32.7 billion to his successor Mario Covas (PSDB) [Brazilian Social Democracy Party].

Fleury will leave Bandeirantes Palace with achievements in some areas that are quite inferior to those of Orestes Quercia, his predecessor, who helped him win the post of state governor.

Even so, the debts of the Fleury administration increased by 81 percent in the four-year period during which he governed the Union's largest state and also largest debtor. When he took over, Sao Paulo state debts amounted to $18.06 billion.

Jose Fernando Boucinhas, 51, state secretary of finance and planning, has said that Sao Paulo contracted no new debts during the Fleury administration.

However, the state did not repay the existing debts. "Transferring the problem to the future was the only thing we could do in the situation we faced," he said

Rescheduling

The 81 percent increase over the four-year period occurred mainly because of the rescheduling of debts.

Rescheduling is a negotiation in which the debtor, in this case the state of Sao Paulo, promises to repay its debt but asks for new terms in order to honor its obligations.

Debts owed by banks ($16.2 billion, including Banespa) [Sao Paulo State Bank], and state bonds ($9.2 billion, including Banespa) account for more than two-thirds ($25.5 billion) of the total debt.

Skyrocketing interest rates—above 60 percent a year—are being paid on the rescheduling of this debt. In the past, interest surpassed 100 percent a year.

Because the state has only "transferred" the problem to the future, without repaying much of the debt, the interest was incorporated into the principal.

Furthermore, Sao Paulo also issued new bonds to pay other overdue debts, thus further increasing its indebtedness.

The inefficiency of state enterprises has also increased the debt. For example, Boucinhas considers Fepasa [Sao Paulo Railroad, Inc.] as a "money drain" that would have stopped working years ago without the $15 million monthly aid received from the state.

During his four-year term, Fleury did not make any significant expenditure reductions, while ICMS [Goods and Services Movement Tax] revenues dropped. For example, between 1991 and 1992, ICMS revenues dropped by $3 billion.

"The drop in revenue worsened the situation. Without structural modifications in the debt and in the profile of enterprises, the new governor will not have many options different from the ones we had," Boucinhas said.

1995 National Budget Distribution, Amendments Examined

PY2811195494 Sao Paulo AGENCIA ESTADO in Portuguese 1937 GMT 28 Nov 94

[Report by Claudia Carneiro]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[FBIS Translated Text] Brasilia, 25 Nov (AE)—The leaders of the Joint Congressional Budget Committee (CMO) will allocate 1.064 billion reals [R] to attend to the individual budget amendments submitted by congressmen. This means that every congressman will have R2 million to apply in their electoral districts, in keeping with their interests. This was the solution found by the CMO to please the 532 congressmen who submitted 23,260 amendments to the 1995 national budget bill. Each congressman had to chose 10 amendments out of the 50 they had a right to present.

It has become a "self service" [preceding two words in English] budget bill, said Deputy Paulo Bernardo (PT-PR) [Workers Party, Parana], a CMO member, in contempt. "Every congressman will receive a piece of the cake without previously having held a serious discussion to determine whether the amendment is feasible or not," he added. The congressmen will be able to reallocate the funds for their 10 amendments according to their own priorities.

According to Deputy Zaire Rezende (PMDB-MG) [Brazilian Democratic Movement Party, Minas Gerais], the CMO has no means by which to control the destination of the funds meant for the individual amendments. He says that the CMO must pressure the Budget Control Subcommittee to control the application of public funds. Rezende says that the R1.064 billion allocation earmarked for the congressmen's amendments represents 0.4 percent of the total 1995 national budget.

Of the total national budget, which amounts to R266.8 billion, 86 percent is made up of "untouchable" funds that can somehow be reallocated anyway by the legislative branch. The federal government needs 57 percent (R154 billion) of the national budget to reschedule its foreign and domestic debts and to pay its interest and obligations alone.

Other "untouchable" debt allocations are those meant for transfers, established by the Constitution, to the states (R15.9 billion), constitutional funds (R800 million), INSS [National Social Security Institute] benefit payments (R19.6 billion), and public personnel expenses (R25.8 billion).

The president of the Republic has earmarked R1.8 billion that cannot be modified by Congress. This allocation corresponds to the Emergency Reserve Fund which is used, for example, in cases when the president declares a state of public emergency.

The CMO will also analyze 477 amendments submitted by collective or congressional blocs. They will probably receive R1.5 billion which are meant only for states or regions. The 10 individual amendments to which congressmen have a right will, in general, be meant for the construction of day care centers, bridges, indoor sports centers, and road repairs.

Lula, PT Leaders Evaluate Election Campaign 'Mistakes'

PY2811155994 Sao Paulo AGENCIA ESTADO in Portuguese 2200 GMT 25 Nov 94

[FBIS Translated Text] Sao Paulo, 25 Nov (AE)—Defeated PT [Workers Party] presidential candidate Luiz Inacio Lula da Silva today said that his party "will again commit mistakes" if it underestimates the strategy of the PSDB [Brazilian Social Democracy Party] and the plans of President-elect Fernando Henrique Cardoso. "The PSDB project could have enough force for 10 more years," he forecast. "We misjudged the real," he said. In Lula's opinion, it is not enough for the PT to reiterate that it is a socialist democratic party. "To speak the truth, I am not sure what kind of socialism I want," he confessed. The national PT executive board will discuss on 26 and 27 November its guidelines for 1995 and its relationship with the future administration.

The PT today sponsored a seminar to evaluate the mistakes it made during the last election campaign. The seminar reflected the internal struggle among the various party factions. The tensest situation took place when Deputy Jose Dirceu, who lost the election for Sao Paulo governor, harshly criticized the party. "The PT must face the problem of the living dead, of this ghost of socialism that follows us," Dirceu said. "The people think that socialism is what goes on in Cuba, the PRC, North Korea, and the former Soviet Union."

Dirceu said that the direct consequence of the indecisiveness over what kind of kind of socialism the PT supports has caused trouble. "People think we are not capable of presenting alternatives for the country because we have not solved the problem of socialism." Dirceu believes that in order for the PT to come into power "it must become a party, and not a patchwork quilt of parties as it currently is." Dirceu does not think that the tight alliances in the states are the reason for the PT's presidential defeat. "We lost because we reflected the image of a small sectarian party, without proposals, selfish and troubled by internal struggles," Dirceu said. "Imagine governing Brazil with a party like this!"

Lula agreed with Dirceu when he said that the PT needs "to be hard" regarding its own mistakes. "If not, we will continue to be insignificant," Lula told an audience of 100 people made up of PT congressmen, political, and union leaders. Given that Lula intends to resume the PT presidency, he did not endorse Dirceu's ideas on socialism or on the alliance policy: "I have never been a deep socialist or a defender of the Cuban system, and I do not think that was the reason we lost the elections."

For Lula, the "fragility" of the PT candidacies in the states and the lack of meaningful alliances harmed his campaign. PT President Rui Falcao, however, rejected these criticisms. According to Falcao, Lula's candidacy was harmed by the fact that it was launched too far in advance. Falcao added that the direction for party reorganization "does not mean a softening of the PT."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Army Issues Report on Borel Slum Operation in Rio

PY2811151994 Sao Paulo Rede Bandeirantes Television in Portuguese 0200 GMT 28 Nov 94

[FBIS Translated Text] The Eastern Military Command has issued a report summing up the results of three days of action in the largest operation that has so far been conducted in Rio de Janeiro. The operation took place in the Borel slum in the district of Tijuca, in the northern part of the city.

The Army reports that 26 people have been arrested for carrying drugs and weapons since the operation started on 25 November.

The Army seized 23 weapons, including rifles, shotguns, machine guns, and revolvers. The troops also seized clips, telescopic sights, a flare gun, and a large amount of ammunition. They also seized 1 kg of cocaine, 1 kg of marijuana, 393 small envelopes of marijuana, and 276 small envelopes of cocaine.

Colonel Ivan Cardoso, the spokesman for the military operation, emphasized the support of the Military and Civilian Police and showed a letter from a slum resident praising the Army's action.

[Begin Cardoso recording] It is not our goal to completely eradicate the drug trade and crime in Rio de Janeiro. Our main goal is to reduce the influence of criminals in the area, and to provide the residents with a sense of tranquility, so as to pave the way for the government to take action in the future through public security and social actions. [end recording]

Editorial Compares Situations of Clinton, Cardoso

PY2311155194 Sao Paulo FOLHA DE SAO PAULO in Portuguese 21 Nov 94 Section 1 p 2

[Editorial: "Clinton and FHC"]

[FBIS Translated Text] U.S. President Bill Clinton's political career, especially his defeat in the recent 8 November mid-term elections, is another example of disappointment with a policy that is apparently becoming universal. From the European difficulties with its plebiscites for approving the Maastricht Treaty to the colossal disassembling of the Liberal-Democratic Party's predominance in Japan, examples of divorce between elite groups and their voters are multiplying in the rest of the world.

The U.S. Democratic Party had for decades predominated over a deeply discredited U.S. Congress. The U.S. President's inability to secure U.S. congressional approval of his main campaign initiatives, especially the social reforms, has also weighed against him. The failure of the Democrats, therefore, seems to be the consequence of a feeling of frustration with the U.S. President's promises and the legislative branch's sluggishness.

Everything seems different in Brazil. The last elections greatly strengthened the president of the Republic, who also obtained greater support from congress and the state governments.

Immense hopes are at stake: The renewal in Brazil entails the risk of suffering frustrations as fast as happened in the United States.

Inflamed by the heat of his triumph, FHC [Fernando Henrique Cardoso] has for the time being acted more like Getulio Vargas [twice Brazilian president, from 1930-45 and from 1951-54], "father of everyone," holder of supposedly irreversible loyalties, than Juscelino Kubitschek [Brazilian president from 1956-61], daredevil entrepreneur who was very controversial, but who really changed the country.

It is interesting to think of politics as a "process." It is timely to rule out fears from "shocks." However, between cautious negotiations and irresponsible precipitation, FHC is still in a limbo that, in practice, could frustrate many expectations.

Roundup of Economic Reports

PY2511172094

[FBIS Editorial Report] The following is a compilation of reports on economic activities in Brazil monitored through 23 November:

Imports hit a record high in October, when they reached $3.139 billion, which is 49.62 percent higher than imports in October 1993. In October 1994, exports reached $3.873 billion, which is 19.50 percent higher than exports in October 1993. The increase in imports caused a 35.78 percent reduction in the balance of trade surplus, which dropped to $734 million. Between January and October, the balance of trade registered an accumulated surplus of $11.882 billion, which is 5.61 percent higher than the surplus for the same period in 1993. The October balance of trade surplus was the lowest since December 1993, when it reached $630 million. Between January and September, imported capital goods—industrial machines, computers, machine spare parts, equipment—accounted for 21.58 percent of imports, as compared to 19.65 percent for the same period in 1993. In October 1994, foreign trade operations reached $7.012 billion. Between January and October 1994, accumulated foreign trade operations reached $60.430 billion, while foreign trade operations between November 1993 and October 1994 reached $71.934 billion. In October 1994, manufactured products accounted for 71.37 percent of exports, reaching $2.764 billion. This amount is 10.65 percent higher than the respective amount for October 1993. In October 1994, the main manufactured product exports were rolled steel, which amounted to $147 million; planes, which amounted to $25 million; paper for printing newspapers, which amounted to $26 million; and a tanker that will sail under a Liberian flag, which

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

amounted to $77 million. In October 1994, raw material exports amounted to $1.023 billion, an amount that is 43.08 percent higher than the respective figure for October 1993. In October 1994, the main raw material exports were coffee grains, amounting to $337 million; tobacco leaves, amounting to $78 million; and soybean, amounting to $337 million. (Sao Paulo AGENCIA ESTADO in Portuguese 2052 GMT 22 Nov 94)

The government has already collected approximately R [real] 231 million through the sale of state-owned minority shares in several enterprises, in three auctions that were held in November 1994. The government target is to collect $400 million by 15 December 1994. (Sao Paulo AGENCIA ESTADO in Portuguese 1235 GMT 22 Nov 94)

The Securities Commission—CVM—on 17 November reported that in October, foreign investment on the Brazilian stock exchange market reached approximately $2.31 billion, while withdrawals amounted to approximately $2.28 billion, resulting in a balance of $23.81 million. According to the CVM, foreign investment in the stock exchange market during the first 10 months of the year reached approximately $17.15 billion, while withdrawals during the same period amounted to $13.74 billion, resulting in a balance of approximately $3.4 billion.

From 1991 to date, after approval of the regulations applying to foreign investment in Brazil, investment has neared $35.21 billion, while withdrawals have neared $24.62 billion, leaving a balance of approximately $10.58 billion, which has in turn generated a profit of $20.77 billion. The CVM reported that this is the balance, as of 31 October, of total foreign investment. Of this last amount, R13.59 billion, or 77.36 percent, is invested in shares, and R2.23 billion, or 12.72 percent, in debentures.

The CVM reported that of the 462 foreign investors that operated in Brazil in October, 33 percent came from North America, 32.1 percent from Central America, 11.7 percent from South America, and 1.5 percent from Asia and Oceania. Since 1991 to date, the CVM has registered 1,947 investors, of which 1,728 owned collective investments and 219 owned individual investments. (Sao Paulo AGENCIA ESTADO in Portuguese 2126 GMT 17 Nov 94)

As a result of the anti-tax evasion campaign, tax revenue has increased in Rio Grande do Sul State. The Federal Revenue office in this state has obtained a real increase in tax revenue of nearly 75 percent in the last two years. Compared to the January to October 1993 period, revenue increased by 39.2 percent this year. In 1993, however, revenue had already increased by 25 percent compared to 1992. The Rio Grande do Sul revenue superintendent, Luis Jair Cardoso, has reported that not only the efforts against tax evasion but also the warming up of the economy were responsible for this increase. (Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 23 Nov 94)

In October 1994, 21 construction enterprises of Sao Paulo and Rio de Janeiro went bankrupt. This figure is 40 percent smaller than the number of bankruptcies registered in September, when 35 companies went bankrupt. This last figure is 25.53 smaller than the number of bankruptcies registered in August, when 47 companies went bankrupt. In July, 27 chemical enterprises of Sao Paulo and Rio de Janeiro went bankrupt. This figure is 10 percent smaller than the number of bankruptcies registered in June, when 30 companies went bankrupt. In June, 30 construction enterprises of Sao Paulo and Rio de Janeiro went bankrupt, while in the same states, 23 construction enterprises went bankrupt in February. (Sao Paulo GAZETA MERCANTIL in Portuguese 18 Nov 94 p 29)

The Central Bank on 21 November closed the Atlantis Bank and its brokerage agency. The Atlantis, which is headquartered in Rio de Janeiro, had received R4.65 million from the Central Bank, without a guarantee. It is the third smallest bank to be closed in eight days because of liquidity and financial problems. The Seller and Adolpho Oliveira banks and brokerage agencies were also closed in the past eight days. The closure of the three banks caused a 4.85 percent drop in the Sao Paulo stock exchange and a 4.93 percent drop in the Rio de Janeiro stock exchange. The Central Bank also attributed the closure to the Atlantis bank's "poor credit management." The Atlantis had two agencies, 200 employees, and demand deposits worth R600,000. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Nov 94 p B6)

The Central Bank has closed the Bancorp Bank, which is headquartered in Rio de Janeiro State. This is the seventh bank to be closed by the Central Bank since the implementation of the Real Plan. Bancorp was closed for having financed some $4 million to the Atlantis Bank, which had also been closed. The Central Bank has denied that other banks will be closed in a domino chain effect. (Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 23 Nov 94)

The National Association of Automotive Vehicle Manufacturers has reported that 39,500 agricultural machines were sold between January and October 1994, compared with 22,700 machines sold in the same period in 1993. In October, 4,200 machines were sold, of which 3,600 were tractors. The BNDES—National Bank for Economic and Social Development—has reported that between January and October 1994, Finame—Fund for Financing Machinery and Equipment—has released R627.4 million for its Agricultural Program, an amount that is 53.3 percent higher than the amount for the same period in 1993. These funds are used for purchasing machinery. (Sao Paulo GAZETA MERCANTIL in Portuguese 18 Nov 94 p 13)

The Union of Sao Paulo Cement Product Factories has reported that in October 1994, sales within the sector

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

dropped by 10 percent with respect to September, and grew by 9 percent with respect to October 1993. In the field of concrete block production, 85 percent of the installed capacity remained idle in October. Also in October, in the field of concrete pole production, 36 percent of the installed capacity remained idle. (Sao Paulo GAZETA MERCANTIL in Portuguese 21 Nov 94 p 9)

According to Brazilian Petroleum Corporation data reported on 18 November, national consumption of oil byproducts in October has reached an average 1.405 million barrels per day, which was 5.1 percent less than in September, although it was 7.1 percent higher than consumption registered in October 1993. Since June, the national oil byproducts market had been increasing steadily: It reached 1.377 million barrels per day in August, and 1.480 million in September, a level that had never been reached since the beginning of the 1990's. Among the oil byproducts, those that had the largest drop in consumption were naphta and gasoil for petrochemical industries (21.07 percent compared to September). Liquified gas consumption was 11.47 percent lower than in September, and that of aviation kerosene 7.73 percent lower. Consumption of diesel oil decreased by 1.64 percent in October. Automotive gasoline consumption, however, increased by 2.85 percent in October and Petrobras figures indicate that the automotive gasoline market has increased by 9.8 percent from January to October. Fuel oil demands also increased by 4.85 percent, although fuel alcohol consumption dropped by 7.26 percent. From January to October, consumption reached an average 1.322 million barrels per day, which represents an increase of 3.8 percent compared to the same period last year. (Sao Paulo GAZETA MERCANTIL in Portuguese 21 Nov 94 p 11)

According to Brazilian Federation of Banks President Renato Alves Rabelo, who is also president of the Indusval Bank, nearly 100 small banks will benefit from the Central Bank decision to increase from R10 million to R15 million the ceiling for exemption of the compulsory tax on fixed-term deposit certificate balances. Rabelo said that out of the 290 small banks with weekly balances ranging from R10 million to R15 million, 190 were already exempted, since their balances were below the ceiling. He added, however, that the decision will not favor the state government banks because their balances range from R50 million to R100 million. (Sao Paulo AGENCIA ESTADO in Portuguese 2112 GMT 18 Nov 94)

The Sao Caetano do Sul Municipal Institute for Higher Learning— IMES—on 17 November reported that employment in the Sao Paulo industrial belt grew by 3.6 percent since March, and that salaries paid in August were 29.1 percent higher than salaries paid in February 1994. In August, the average salary paid in the region was R822.83. IMES reported that since March 1994, 43.3 percent of unemployed workers have engaged in some kind of remunerated activity, compared with 31.8 percent of unemployed workers engaged in some kind of remunerated activity in February. More than 50 percent of manpower has been hired by the services sector, followed by the industrial sector, which hired 32.2 percent of manpower. (Sao Paulo GAZETA MERCANTIL in Portuguese 18 Nov 94 p 8)

Aracatuba meat dealers on 16 November reported that the price of meat dropped 8.57 percent in November. On 17 November, each arroba—a unit equivalent to 15 kg—was quoted at R33, with payment over a 20-day period, for cattle in Sao Paulo. In Mato Grosso and Mato Grosso do Sul, the price per arroba stood at R30, in Goias at R31, and in Para at R29. Retail prices are also dropping. On 17 November, meat packing plants sold first grade meat at R270 per arroba, that is, 3.57 percent cheaper than one month ago. (Sao Paulo AGENCIA ESTADO in Portuguese 1950 GMT 17 Nov 94)

Progress, Impact of PRC Three Gorges Project Seen

Firms Express Interest

95SM0055A Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Oct 94 p B14

[Article by Costabile Nicoletta]

[FBIS Translated Text] Leading Brazilian construction firms have a real sweetheart deal in their sights. The largest hydroelectric project on the planet, the Three Gorges Power Plant—equivalent to 1.5 Itaipus—is about to be built in the province of Shibaozhai, in China. This $20 billion project is coveted by the world's biggest contractors. The green-and-yellow candidates have fielded a strong team.

Competing for the project will be Camargo Correa, Andrade Gutierrez, Companhia Brasileira de Projetos e Obras (CBPO, from the Odebrecht Group), and Mendes Junior. Also keeping their eyes on the project are consulting and engineering companies like Promon, Themag, and Internacional; assembly companies like Emesa and Tenenge; and equipment suppliers like ABB, Voith, and Mecanica Pesada.

On 2 November, a consortium of contractors that helped build Itaipu, headed by Camargo Correa, will begin conducting a three-week seminar for the Chinese Government to acquaint them with the technological capabilities of Brazilian companies in the building of hydroelectric projects. The purpose is to show that the consortium is qualified to tackle the Three Gorges Plant.

The plant will be built by exploiting the hydric potentials of the Yangtze River in Hubei Province and will have an installed capacity of 18 million kilowatts—equivalent to one-and-a-half Itaipu dams. "It will be the world's biggest hydroelectric project," said Joao Alberto Nogueira, director of the international department at Camargo Correa.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

According to the timetable set by the Chinese Government, the first phase of the work, on which bidding has not yet started, is to be ready by the year 2002, and the plant will be operating at full capacity in 2007. "The Chinese government initially wanted to build the project without assistance from foreign firms, but decided to seek technology available elsewhere in the world. And Brazil already has that technology because it built Itaipu, currently the largest plant in the world," Nogueira said.

The Chinese facility will also be designed to contain flood waters during the rainy season in the provinces where it will be built, and to improve the navigability of the Yangtze River. It is estimated that a million people who live in the vicinity will have to be displaced, a circumstance that has aroused protests from various environmental groups in the world, especially in the United States, a country interested in financing the hydroelectric plant.

According to Alberto Nogueira, the Chinese Government has already assured itself of 60 percent of the funds needed to get the project under way. These will be obtained from local electricity tariffs. Several Chinese delegations have visited Itaipu and the companies in Brazil that built it and supplied the equipment.

Work May Take 15 Years

95SM0055B Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Oct 94 p B14

[FBIS Translated Text] Construction on the controversial Three Gorges Dam is already under way, but it may take 15 years before it is finished. The estimated cost is $20 billion, but the project calls for generation of 17 million kilowatts of electricity. Once operating, the complex will produce as much electricity as the world's two largest hydroelectric plants, put together, can now generate.

The dam will create a 600-km long reservoir between the provinces of Hubei and Chongging. The water level in the narrow valley between the mountain ranges that run alongside the river will rise by dozens of meters and will destroy almost all the natural beauty of Three Gorges.

For now, life in Shibaozhai goes on as it always has. At the recreation center for former administrative workers, which has kept the portraits of Mao, Lenin, and Stalin on its walls, retirees play chess and remember the past instead of looking toward the future.

Shibaozhai's three factories, making wine, salt, and fireworks, now employ only a few hundred people. The lack of jobs dominates conversations with outsiders, and few are worried about the relocation of the city.

"Look at the streets," says a young medical student who plans to move to Hainan after he graduates. Hainan is an island in the south of China where the economy is flourishing. "There are no young people here, because there is nothing for them."

The students claim that more than a 1,000 have already moved to Shenzhen, Haikou, and other special economic zones in southern China during the past three years. Most of them are working as day laborers or temporary employees in factories and restaurants.

Hundreds of men from the rural region of Shibaozhai, which once had a population of 25,000, have spent the past winters working on construction gangs in the province of Xinjiang, in the distant northeast region of China.

Others have ended up as coolies (Chinese or Hindu workers given heavy work in building railroads) in Chongging, waiting side by side with hundreds of other young people for a few minutes of work, usually carrying heavy loads.

Reservoir Will Drown City

95SM0055C Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Oct 94 p B14

[Article by Deirdre Chetham, National Geographic News Service]

[FBIS Translated Text] Shibaozhai, China—Bringing the hand-made rattan chairs that they use to carry visitors, several hundred residents are running down to tiny Shibaozhai's port to welcome yet another visit by a tourist ship that plies the Yangtze River.

Within minutes, these enterprising peasants are carrying visitors up the mountain to the city's only tourist attraction, a 12-story red pagoda built in the 17th century. For this short errand these people can earn as much as they would get for a half day's work—less than $1.00.

The rattan chair used to carry people, considered a deplorable type of exploitation and so banished by the communists early in the 1950's, has reappeared along the steep banks of the upper Yangtze. There are few ways to make money, and even fewer ways to occupy one's time.

One day's distance by boat from the city of Chongging in southern Sicham, Shibaozhai, with its 5,000 residents is typical of the small communities built along the river.

Every year, about 200,000 Chinese and foreign tourists visit the ancient pagodas and temples and admire the natural beauty of the region. But no one stays in Shibaozhai for more than a few hours. Soon the city will vanish beneath the waters—it will be flooded, along with 900 other cities and towns, by the reservoir for the world's largest hydroelectric project, the Three Gorges Dam.

The water in Shibaozhai will be almost 177.5 meters deep, and the river will come up to the tower gate. With Yangtze [as published] at least a million people will be removed and 250,000 hectares of productive farmland will be flooded.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In most cases, the urban centers will be transferred several kilometers from their present sites. The new center of Shibaozhai will be 1.6 km. away.

The imminent flooding and loss of land also means that thousands of people will have to find new skills and occupations.

But the residents are skeptical about the future. "The dam will create temporary jobs in construction, but they will not last long," said a prosperous middle-aged farmer during a conversation with NATIONAL GEOGRAPHIC reporters. "We are too far from the dam itself to get anything out of it."

"The peasants may get new land at higher elevations, but will not be compensated for the work they have already done in their fields," he argues. According to the farmer, unless there is genuine industrial development—with factories, roads, and transportation, not just new small businesses—this place will not have a future.

Chile

Insulza Hopes for Concrete Proposal During Summit

PY2811194794 Madrid EFE in Spanish 071o GMT 28 Nov 94

[FBIS Translated Text] Santiago, 28 Nov (EFE)—Chilean Foreign Minister Jose Miguel Insulza has reported that the Chilean Government hopes the United States will make a concrete proposal during the Miami summit on the framework and mechanisms for free trade negotiations.

The foreign minister told EFE that Chile cannot expect the results of the summit, which will involve 34 presidents, to include an agreement between Chile and NAFTA.

He said: "That would be presumptuous and mistaken," adding that "talks may be held within the summit, because each country will talk about its individual interests."

He added that Chile will mainly stress "issues like free trade, social development, the struggle to eradicate poverty, and the consolidation of democracy; namely those related to state modernization and government ethics."

Analysts believe Chile expects an explicit sign from the United States concerning a free trade agreement, albeit through an expansion of NAFTA or via a bilateral agreement.

This Chilean aspiration has also been noticeable in the diplomatic offensive over the past few weeks by the Chilean Foreign Ministry toward Washington—and also toward Mexico and Canada, the partners of the United States within NAFTA.

Canada's Prime Minister Jean Chretien and Mexican President-elect Ernesto Zedillo met last Tuesday, 22 November, in Ottawa, Canada, where they agreed to try to convince the United States on the need to begin trade negotiations with Chile.

Insulza conveyed his personal impression that "following the U.S. elections and the position adopted by Mexico and Canada on this matter, NAFTA "seems to be an option that is gaining force." [quotation marks as received]

He refused to provide further details on these matters and said that we must first know if the U.S. Congress will approve the Uruguay Round of GATT.

He said that from the U.S. point of view, its proposal may vary according to the result of the Uruguay Round of GATT vote.

He added that he does not believe the blockade on Cuba will be discussed at that meeting. He explained that Chile does not want to discuss the subject, which is not included in its agenda.

He told EFE that Chile is interested in consolidating democracy and in reaffirming its commitment with the social area "as a permanent task of our countries and as a persistent struggle for governments to resolve marginalization and poverty problems."

He also stressed trade issues, saying that Chile will express its interest in seeking agreements "within the concept of open regionalism."

He said: "We hope the Miami summit will be a good opportunity for talks, as we have done on other occasions, in a calm and relaxed manner."

During his tour of Asia-Pacific countries, the president expressed his desire to go to the Miami summit following the U.S. Congress approval of the Uruguay Round of GATT. The Chilean president said: "If not, we will hardly be able to talk about free trade."

The Summit of the Americas, called by President Clinton, will be held in December 1994 in Miami, and will gather the chiefs of state and government of 34 countries of the continent—with the sole exclusion of Cuban President Fidel Castro.

Economy Minister Denies Decision Made to Join NAFTA

PY2911003994 Santiago ESTRATEGIA in Spanish 18 Nov 94 p 7

[FBIS Translated Excerpt] Economy Minister Alvaro Garcia yesterday denied that Chile had announced its decision to join NAFTA rather than achieve a bilateral agreement with the United States. He said that even President Eduardo Frei had mentioned that the two options were both open.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Garcia also said that although the Mexican and Canadian governments have strongly expressed their willingness to see Chile join NAFTA, this does not imply that the possibility for achieving a bilateral agreement is closed.

He said: "We are awaiting a specific proposal in this regard from NAFTA countries, or an individual offer from the United States." [passage omitted]

Insulza Notes Importance of Joining GATT

PY2911015394 Madrid EFE in Spanish 1639 GMT 26 Nov 94

[FBIS Translated Text] Santiago, 26 Nov (EFE)—Chilean Foreign Minister Jose Miguel Insulza today praised the unanimous approval of the Uruguay Round of the GATT by the Chilean Congress. This will allow Chile to join the World Trade Organization [WTO] in January.

In view of the approval by the Chilean Congress on 22 November [date as received], Chile became the second Latin American country—after Mexico—and 33d country in the world to have approved the Morocco Agreement of the Uruguay Round of the GATT.

Insulza added that this approval puts Chile in an exceptional position to negotiate free trade agreements, and that the country's credibility on these issues has been strengthened.

Insulza reasserted that Chile will support Mexican President Carlos Salinas de Gortari's candidacy for the WTO's presidency. Salinas de Gortari will hand over Mexico's presidency to Ernesto Zedillo on 1 December.

Regarding an eventual free trade agreement with the United States, Insulza said that for Chile all options are still open, but he added that Chile's joining NAFTA is the one option that "is gaining more strength" in view of the support expressed by Canada and Mexico.

Frei Views Tour, Terms APEC Membership 'Historic Step'

PY2911031894 Madrid EFE in Spanish 1834 GMT 25 Nov 94

[FBIS Translated Text] Santiago, 25 Nov (EFE)—Chilean President Eduardo Frei today described Chile's recent membership in the Asia-Pacific Economic Cooperation (APEC) as "a historic step," adding that Chile can be the bridge uniting Asia and Latin Amercia.

The Chilean president stated that Chile's presence in APEC represents a great opportunity for Chile to undertake a new stage in its socioeconomic development and a great challenge to achieve these goals.

In this regard, he mentioned the commitment made by the 18 APEC members to fully liberalize their trade by the year 2010, in the case of developed countries, and by the year 2020, in the case of developing countries. This commitment is included in the declaration issued by the summit, held in Bogor, Indonesia.

Frei said that in view of this, Chile must make a gigantic effort in infrastructure, education, training, and science and technology "to be at the level of developments and be able to meet the challenges." He added that the recipe to achieve these objectives is "work and more work."

Frei said this during a news conference in which he discussed the results of the APEC summit, which he attended, and his two-week tour through Asia and the Pacific, which included a working visit to Australia and Japan and a state visit to the ROK.

Frei said that his visits to these countries were "enlightening." In addition, he said these countries are exemplary models of the same "willingngess to work" that he is now demanding from all Chileans and of the social and political stability "that is fundamental for a country to establish long-term objectives."

He added that his tour and negotiations have resulted in a significant strengthening of political ties with the countries he visited, particularly Australia, Japan, and the ROK, which are Chile's "great trade partners."

Frei also emphasized the bilateral meetings he held, within the framework of the APEC summit in Indonesia, with U.S. President Bill Clinton, Mexican President Carlos Salinas de Gortari, and Canadian Prime Minister Jean Chretien, the leaders of NAFTA member countries.

He stated that he had discussed with them Chile's eventual entrance into NAFTA. Frei also expressed the hope that specific definitions will be agreed upon during the upcoming Summit of the Americas, to be held in Miami on 9 and 10 December, and that formal negotiations may be undertaken by 1995.

The Chilean president expressed his hope that the U.S. Congress will soon approve the Uruguay Round of the GATT, which will pave the way for negotiations with Chile.

Without explicitly mentioning it, Frei also inferred that he would rather have Chile join NAFTA than reach a bilateral agreement with the United States. He said he hopes that countries attending the Miami summit will clearly establish mechanisms to allow the entrance of other countries because the text of the NAFTA agreement does not contain a specific definition in this regard.

Financiers Seek Regional Role For Santiago

MS2911114994 London FINANCIAL TIMES in English 29 Nov 94 p 30

[Report by Stephen Fidler: "Santiago Seeks Regional Finance Role"]

[FBIS Transcribed Text] Chile boasts Latin America's most advanced capital market. The country's high savings rate, the development of its private pension funds

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

and more than a decade of uninterrupted economic growth have combined to bring this about. Nowhere else in Latin America can companies raise 10- or even 20-year finance.

The country's leading financial institutions and its two stock exchanges want to use this head start over their neighbours to develop a financial centre servicing the rest of South America. To promote the idea, they formed a capital markets institute six months ago.

"We have been advocating the idea of transforming Santiago into a financial centre," said Mr Hernan Somerville, the head of Chile's banking association.

But for the likes of Mr Somerville, the government has been moving too slowly on the issue and at least two important obstacles are blocking the idea.

The first is the rule which demands that foreign investments remain in the country for at least a year, inhibiting financial market trading. The second is the country's capital gains tax.

Government officials say lifting the one-year rule would not be difficult. The finance minister, Mr Eduardo Aninat, said this month in London that "at an opportune moment, we could consider amending it by law... but that doesn't mean in the short term". For now, the government is concerned not to encourage inflows of volatile hot money which make managing money supply difficult and raise the exchange rate to uncompetitive levels.

Mr Aninat said, however, that "the capital gains tax is more complex", although the issue was under study. The government is worried that relaxing the tax might lead to a redefinition of a lot of income as capital gains in order to evade tax.

Mr Somerville says banks are being hindered from developing a regional role because they cannot lend money outside the country, except for trade. "We should also be able to lend money outside Chile to Chilean companies," many of which are expanding into other countries in the region, he says.

From the government's point of view, developing the financial services sector would—like increasing manufacturing capacity—be one way of developing an economy which, in spite of its success, is still over-dependent on production of raw materials.

Still, while some financial experts believe Santiago has advantages in certain areas, for example in custodial services, there is widespread scepticism that turning the city into financial centre is a serious project.

Chile may have the expertise, and a deregulated telephone system that allows for relatively cheap communication, but it is geographically remote and the economy small. Sceptics wonder whether there is a critical mass of local business to encourage the establishment of a regional financial centre.

Mr Somerville argues: "Look at Luxembourg", adding that "we offer political stability, economic stability, a broad consensus over policy—and we have a reputation for integrity."

Mr Pablo Yrarrazavil, chairman of the Santiago Stock Exchange, points out that for an "emerging market" the country already has a highly-developed financial system.

With a gross domestic product of about $46bn, Chile's stock market capitalisation is $60bn, banking assets total $35bn, the assets of pension funds are approaching $20bn and insurance company assets $5bn.

Nonetheless, Mr Yrarrazavil acknowledges that he has a problem—currently most Chilean companies prefer to raise share capital in New York and not on his exchange. Chilean financial business is migrating to the US, where investors are willing to pay more than in the Chilean market, partly because of the one-year rule.

But Chilean financiers are not only worried about New York. They are also concerned not so much about the development of finance in Sao Paulo if the Brazilian anti-inflation plan succeeds, but that Argentina is making big advances in financial sophistication.

Promoting Santiago as a financial centre has, for some of its proponents, a defensive motive and a desire to avoid a drain of Chilean talent and Chilean financial companies to Argentina.

"Chileans love Buenos Aires. Many would like to live there, and if it developed as a financial centre, they would move," said one financier.

Editorial Evaluates Benefits of Joining APEC

PY2911105994 Santiago EL MERCURIO in Spanish 17 Nov 94 p 3

[Editorial: "Joining APEC"]

[FBIS Translated Text] The presence of President Eduardo Frei at the Asia-Pacific Economic Cooperation (APEC) meeting has institutionalized the national participation in that region. President Frei's participation in the Jakarta meeting led to the full incorporation of Chile into that organization. Chile was only an observer and just recently participated in the working meetings. Only from 13 November did Chile begin to participate in the ministerial and presidential meetings. From the the welcome given to the national delegation, one can foresee a good understanding for strengthening joint initiatives supporting free trade in that zone and other regions.

The APEC corresponds with the Chilean promotion of its basic foreign policy proposals, such as the elimination of trade barriers. The APEC also advocates open regionalism that opposes blocs and common external tariffs. These protection formulas advocated by the European Union, Mercosur [Common Market of the South], and other agreements create forced deviations that distort

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the correct appropriation of resources and obstruct international trade. This is the reason for joining the agreements of the Pacific nations as opposed to the treaties and practices that go against the free deployment of goods, services, and investments.

The decisions made by APEC—although they are strictly economic—have in practice political connotations because they come from a group of nations considered essential for preserving the equilibrium in various parts of the world. The agreements reached by 18 countries—some of them with the highest growth rates in the world, representing half of the world trade and population—cannot be easily ignored by the economies of Europe and other countries.

The effectiveness of the APEC will depend on the coherence of its commitments relative to the internal measures implemented by its members. Unfortunately, many of the APEC members are reluctant to liberalize their external transactions. The administrative problems imposed by Japan, South Korea, and other countries in terms of allowing entrance of foreign merchandise are well known. The inability of those governments to resist the influence of protectionist groups has imposed high costs on the purchasing power of their people, and has created unnecessary trade conflicts. This conduct should be corrected if there is consensus with the agreements signed. Otherwise, we will be facing diplomatic rhetoric and euphemisms.

Our country's influence in the APEC will be directly related to its progress in reducing tariffs and control over transactions in foreign currency. These reductions oppose the proliferation of bilateral agreements, and the implementation of restrictions on incoming and outgoing capital.

The fact that Chile and Mexico are the only Latin American countries in the APEC gives them an opportunity for positive improvement through economic reforms that can transform them into instruments for foreign investments from third countries. Advantage should then be taken of this opportunity through a review of their legislation and regulations.

The effort being made by President Frei and his delegation in this tour already has a concrete result with the Chilean entry into the APEC. In addition to this important step, Frei also held important meetings with a selected group of heads of state and carried out negotiations with Australia and Indonesia. Australia is an important foreign investor and it is, like Indonesia, a potential market for national exports.

Frei, Cuba's Castro To Meet 1 Dec in Mexico

PY2811215994 Madrid EFE in Spanish 1747 GMT 25 Nov 94

[FBIS Translated Text] Santiago, 25 Nov (EFE)—Chilean President Eduardo Frei Ruiz Tagle announced today that he will meet with Cuban President Fidel Castro in Mexico on 1 December to discuss bilateral ties. At present Chile and Cuba maintain ties at the consular level.

Frei and Castro will visit Mexico to attend the inauguration of Mexican President-elect Ernesto Zedillo, who will replace Carlos Salinas de Gortari.

During a news conference held today at La Moneda Palace, Frei confirmed that one of the bilateral meetings he is scheduled to hold during his 36-hour stay in Mexico is with Fidel Castro. He warned, however, that it is very unlikely that there will be a change in the current situation of Chilean-Cuban ties, which are at the consular level.

Frei said that during his meeting with Castro they will continue the dialogue they began in June in Cartagena (Colombia) during the Fourth Ibero-American Summit. Frei also described as "good" the current state of Chilean-Cuban ties.

Frei declined to explain why his administration does not maintain full diplomatic ties with Cuba, but does so with other governments with poor human rights records, such as Indonesia.

In this regard Frei said only that they "are different cases," and reasserted his government's commitment to upholding democracy and human rights. He also added that the defense of these values does not undermine the development of Chilean ties with countries that uphold different doctrines.

Bolivian Development Minister Ends 2-Day Visit

PY2811210494 Madrid EFE in Spanish 2351 GMT 26 Nov 94

[FBIS Translated Text] Santiago, 26 Nov (EFE)—Bolivian Sustainable Development Minister Jose Guillermo Justiniano concluded today a two-day official visit to Chile, where he met with several ministers and signed a joint declaration with Chilean Economy Minister Alvaro Garcia.

In the joint declaration, Justiniano and Garcia emphasized "the new and dynamic stage" in the relations between the two countries.

The two ministers pointed out the great points of agreement prevailing between their two countries on some issues, saying that they want to create mechanisms of mutual cooperation and assistance.

They also recognized the need to exchange information on legislation related to the environment and decentralization.

The two ministers also reviewed the progress of the Economic Complementation Agreement signed by the two governments more than a year ago, and expressed their desire to sign a broad trade agreement.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

During his stay in Chile, Justiniano also met with Foreign Minister Jose Miguel Insulza, Planning Minister Luis Maira, Minister Secretary General of Government Genaro Arriagada, and Under Secretary of Regional Development Marcelo Schilling.

Justiniano also gave a lecture on Bolivia and Sustainable Development at the headquarters of the ECLA [Economic Commission for Latin America] in Santiago.

Frei, Croatia's Tudjman Hold Talks; Treaties Signed

LD2811215694 Zagreb HTV Television in Serbo-Croatian 1830 GMT 28 Nov 94

[FBIS Translated Excerpt] By laying a wreath on the monument to General Bernardo O'Higgins, the Chilean father of the nation, Croatian President Franjo Tudjman has begun the official part of his visit to the Republic of Chile. The Croatian president was then received by Eduardo Frei, Chilean president and prime minister. Ljiljana Bunjevac-Filipovic has a report:

[Bunjevac-Filipovic] The official part of the visit by Croatian President Franjo Tudjman to the Republic of Chile began this morning with top military honors at the State Square in the Chilean capital—Santiago. [passage omitted]

In the nearby presidential palace—the Moneda—the Croatian president was received by his host, Chilean President Eduardo Frei. Official talks behind closed doors that were attended by the closest associates of the two presidents followed. After the talks, Foreign Affairs Ministers Miguel Insulza and Mate Granic signed, in the presence of Presidents Frei and Tudjman, interstate treaties on mutual protection in the promotion of investments, and scientific and technical cooperation. [passage omitted]

President Tudjman expressed thanks for the hospitality and stressed the importance of his visit to Chile:

[Begin Tudjman recording] We attach particular importance to the Croatian state delegation's visit to friendly Chile for several reasons. First of all, because Chile was the first country on the Latin American continent to recognize Croatia. Further, a sizeable Croatian expatriate community lives in Chile: They have very successfully fitted into the overall development of social life in the economic, political, and scientific spheres in Chile.

Chile is a country that has in all debates in the UN so far fully supported Croatia's independence and territorial integrity. With Chile we wish to have relations that will contribute to our better knowing each other and to a mutually-beneficial exchange of experiences. The development of good relations between Chile and Croatia can serve more than just our bilateral relations. President Frei and the Chilean Government view Croatia as a very important factor for the establishment of the new international order on the territory of former Yugoslavia. It has also become one of Croatia's friends in its quest for peace, which is in the interest not only of the nations directly involved in the crisis areas of Bosnia-Herzegovina, but also that crisis unfortunately has importance for the whole of mankind as a conflict of civilizations is at work there. [end recording]

[Bunjevac-Filipovic] President Tudjman then invited President Frei to pay an official visit to Croatia, which he accepted, and announced the opening of the permanent mission of the Republic of Chile in the Republic of Croatia next month. [passage omitted]

Tudjman: Bosnia Solution Delay Not Possible

LD2811220794 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 28 Nov 94

[FBIS Translated Excerpt] [passage omitted] Commenting on the search for a solution to the Bosnia-Herzgovina crisis, Franjo Tudjman, president of the Republic of Croatia, said at a news conference today:

[Begin Tudjman recording] I believe that we have reached a situation in the resolution of the conflict and war crisis in Bosnia-Herzegovina in which constant procrastination by the international community is not possible. It is well known that there is no unity between the European Union, the United States, and Russia, but it seems to me that a conflict of these dimensions [changes thought], that responsible people of these major world factors will nevertheless direct things in such a way as to reach agreement and then force the warring sides into a peace which will create the preconditions for the creation of a new international order in this part of Europe or rather in the former Yugoslavia. [end recording] [passage omitted]

News Conference Held; Accords Signed

PY2911021894 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 29 Nov 94

[FBIS Translated Text] President Eduardo Frei and visiting Croatian President Franjo Tudjman, who is on an official visit to Chile, signed two cooperation agreements today.

[Begin recording] [Unidentified reporter] Tudjman arrived at government house at 1000. After signing two agreements in the (?West) Room of Government House, the two presidents granted a news conference.

[Frei] We have reasserted that our main priority is to maintain political ties between our two countries. We have reasserted our commitment to democracy, our commitment to freedom, and our commitment to peace.

[Reporter] When the Croatian president was asked if he believes peace is possible in the Balkans, he said:

[Tudjman in Serbo-Croatian, with subtitles in Spanish] This is somewhat difficult because too many complex issues are involved, but I hope that the mediation of

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

international personalities will succeed because it is obvious that the parties involved in the Bosnia-Herzegovina conflict have exhausted their means.

[Reporter] President Tudjman also visited the court building, where he met with Chilean Supreme Court justices. [end recording]

Further on Tudjman's Visit

PY2911023694 Madrid EFE in Spanish 2120 GMT 28 Nov 94

[FBIS Translated Text] Santiago, 28 Nov (EFE)—Chilean President Eduardo Frei and Croatian President Franjo Tudjman today agreed to assign priority to the political dimension of their bilateral ties. They also expressed their support for the peaceful solution of conflicts.

During a news conference at the La Moneda Government House, Frei said that "our main priority is to maintain political ties."

Frei added that Chile may become a door for Croatia in Latin America. He promised that Chile will grant its support in all international forums for Croatian efforts to achieve a peaceful solution to the war in Bosnia.

He stated that his administration hopes to increase political, economic, social, cultural and scientific ties with Croatia, a country which he believes is a "bridge" for Chilean ties with East European countries.

Tudjman added that Chile was the first South American country to have officially recognized Croatia. He stated that the Chilean Government "has always supported the independence and integrity of the Croatian state."

Tudjman stressed that there is an important Croatian community residing in Chile that is completely identified with Chile's political, economic, and social life.

Regarding the conflict in Bosnia, Tudjman said that it is more than a war between two nations; it is "a clash of different civilizations, cultures, and religions." In view of this, he stressed the urgent need for the international community to achieve a peaceful solution for this region.

Tudjman said that the parties involved in the war are tired and that the conflict has reached a point where everyone must help to achieve a solution and establish a new international order in the region.

Franjo Tudjman, who arrived in Chile on 26 November for a four-day official visit [as received], invited Frei to visit Croatia.

Tudjman started his first official day in Chile with a wreath-laying ceremony before the statue of Chilean independence hero Bernardo O'Higgins. After this ceremony, he and Frei attended an agreement signing ceremony during which the two countries signed an accord for the protection of investments, a scientific cooperation agreement, and a cultural cooperation accord.

Tudjman, who has already met with the Croatian community residing in Chile and will be declared illustrious citizen of Santiago, is scheduled to meet with Senate President Gabriel Valdes and Jorge Schaulsohn, the president of the Chamber of Deputies.

On 29 November, Tudjman will dedicate the Croatian Consulate in Antofagasta, located 1,368 km north of Santiago.

He will also attend the opening of the Croatian Consulate offices in Santiago. The third Croatian consulate in Chile will be dedicated during a simultaneous ceremony to be held in Punta Arenas, located 2,244 km south of Santiago.

Tudjman will leave Chile on 30 November for Buenos Aires, which, together with Chile, hosts the largest Croatian community in the Americas.

Colombia

DEA Links Grajales Family to Cocaine Trafficking

PA2911031294 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 24 Nov 94

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] In the United States, the DEA has linked to large-scale cocaine trafficking seven [number as heard] members of a very wealthy Colombian family whose last name is very well known for its association with a brand of wine, the Grajales wines. According to an AFP report, the U.S. authorities have issued arrest warrants against them, and these warrants will be turned over to the INTERPOL so they will be arrested in whatever country they are found.

According to the U.S. authorities, Raul, Luis, Nancy, Cesar, Eduardo, and Jose Agustin Grajales, owners of the Grajales wine company and a fruit pulp company in Colombia, have used their companies to send cocaine to the United States and Europe. The DEA first found a shipment of cocaine concealed in the fruit pulp shipments in October 1985. According to the DEA, the Grajales work with the Cali Cartel. One of them, Raul Grajales, had already been implicated in Operation Green Ice in September 1992. On that occasion, he denied any links with drug trafficking.

[Begin Raul Grajales recording] My name has been linked to a very shameful incident in Italy. I want to state to the public that I am calm, that I am not in Colombia [as heard], that I do not have any type of legal problem. [end recording]

The DEA said today it has enough evidence to convict him for drug trafficking. For the DEA, the Grajales' organization is as powerful as the Cali Cartel. That is

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

why the arrest warrants will be sent to all the world's police forces through Interpol.

Today in Colombia, Raul Grajales said these accusations are part of a DEA campaign to discredit them.

[Begin Raul Grajales recording] We have never been linked, and I categorically reject that accusation because if this were so, first of all, there would surely be someone under arrest. Second, in Colombia and the rest of South America, there are several fruit pulp producers. [end recording]

Prosecutor's Office Begins Investigation

PA2911031394 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 25 Nov 94

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] The Colombian Prosecutor General's Office has begun investigating the Grajales, industrialists of Valle del Cauca, because of DEA charges that they are responsible for shipping thousands of kilograms of cocaine into the United States by taking advantage of their many businesses and their legal exports of fruit. The DEA announced that it will be sending evidence against the Grajales family and 45 other Colombian companies reportedly linked to drug trafficking.

Three faceless prosecutors of Santa Fe de Bogota today began a preliminary investigation against Raul, Luis, Maria Nancy, Jose Agustin, Eduardo, and Cesar Grajales Posso, members of one of the world's most important families in the wine and fruit business. The investigations are the result of a report that was presented by the DEA in Miami and which was accepted by a Florida court. The report accuses them of participating in large-scale drug trafficking into the United States, Europe, and the Far East. The Grajales family had no criminal record in Colombia but the investigations were begun as a result of the DEA charges against these industrialists. In the next few days, the Interpol in Colombia is expected to receive from the DEA the warrants indicating they are being sought internationally.

The "Seven O'Clock" newscast has also learned that in the next few weeks the DEA will send new evidence to the Prosecutor's Office and the country's intelligence agencies implicating at least 45 fruit, textile, and garment-exporting companies in alleged drug trafficking into the United States.

'Unprecedented Offensive' Launched To Block Narco-Bill

PA2811141294 Santa Fe de Bogota EL TIEMPO in Spanish 24 Nov 94 pp 1A, 3A

[FBIS Translated Text] Ministers and high-ranking government officials have launched an unprecedented offensive to block the so-called narco-bill, which has been submitted to the full House of Representatives.

Interior Minister Horacio Serpa and Justice Minister Nestor H. Martinez Neira announced yesterday that they will take on the task of convincing members of the lower chamber of how inappropriate it would be for the country to allow this initiative to pass.

The bill would dismantle rules prohibiting illegal enrichment and the utilization of front men, and it virtually would end the practice of having faceless judges. These rules could destroy the executive branch's policies in the struggle against drug trafficking and corruption.

Former President Julio Cesar Turbay Ayala yesterday asked representatives to oppose the measure in the House.

What can the government do if the full House of Representatives approves the narco-bill? What options are left for the executive?

Via Ministers Horacio Serpa Uribe and Nestor Humberto Martinez, the executive has already announced that the president will not approve the controversial law and will challenge it on the grounds of national interests and unconstitutionality. The constitution allows for two kinds of presidential challenges: those based on national interests and those based on questions of constitutionality. The first type is based on political criteria and is reviewed by Congress. The president has 6-20 days to challenge a draft bill based on national interests. Meanwhile, questions of constitutionality fall under the jurisdiction of the Constitutional Court.

The narco-bill, which would face challenges under both provisions, would be submitted to Congress and the Constitutional Court simultaneously.

Debate in Congress

Once a draft bill is returned to Congress following a challenge based on national interests, Congress must vote on the challenge in both the full House and Senate. A simple majority is required in each chamber to uphold or overturn each and every challenge.

If the presidential challenge is approved, Congress has two options: modify the contentious portions of the draft bill, or reject it altogether. If Congress decides to modify the bill, it is returned to the president for his approval. If Congress agrees to reject the measure, the bill is scrapped altogether.

Nevertheless, it is possible that the challenges may not be accepted or that the required majority to uphold them cannot be obtained. In such a case, the bill is returned to the president, who may either approve the initiative, making it a law, or again refuse to approve it. If the head of state refuses to approve the initiative a second time, the bill is submitted for approval by the president of Congress. Yesterday, legal experts said such a situation would be so serious that, ironically, despite being the one who challenged the propriety of the law, the president

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

could ultimately be investigated by the Supreme Court of Justice for failing to fulfill his duties.

Meanwhile, the Constitutional Court would review the constitutional challenges. The court has 18 working days to issue a ruling: six days in which to hold a drawing to select a magistrate to review the case, six days in which the attorney general must issue an opinion, and six more days for the full court to review the case and issue its decision. In this case, the court would only need to review the constitutional challenges presented by the president. If the Constitutional Court determines the challenges are unfounded and the initiative adheres to the 1991 Constitution, it must be returned to the president for his approval and signature.

If the court determines the president's challenges are warranted, the court must declare unconstitutional those articles challenged by the executive, and, in turn, Congress would be prevented from attempting to approve them again.

Meanwhile, there exists a third possibility. If the court rules the president is right, but only partially, it can return the bill to the full House and Senate, thereby giving Congress an opportunity to correct the provisions declared unconstitutional. In this event, once Congress corrects the problems, the bill would be resubmitted to the court, which would then determine if additional constitutional questions exist.

Faceless Judges' Representative Opposes Narco-Bill

PA2611033494 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 25 Nov 94

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] Alvaro Luna Conde, president of the Superior Public Order Court and representative of the faceless judges who handle drug trafficking, terrorism, and subversion cases in the country's courts, spoke at the Third National Judges and Prosecutors Congress in Cucuta and strongly rejected the so-called narco-bill to decriminalize illegal enrichment and the use of frontmen.

[Begin Luna recording] I believe the country's situation requires that we have officials who may or may not conceal their identities or who can, for example, conceal their identity in certain cases according to legal precepts, as has been proposed several times. If not, we should have special judges who are given state protection.

As for the narco-bill, well, it does nothing for the already deteriorated image of the Colombian legislature. I think the legislature should be aware of this and of the importance of penalizing such conduct. The measure will not only affect drug trafficking but the use of frontmen by other criminals or government officials who have gotten rich illegally. This is a mechanism used by the government to fight not only drug trafficking and money laundering but other crimes as well. Thus the mechanism should cover those areas too. If the legislature opposes or shelves the bill, it would obviously show the people that it does not have honest intentions. [end recording]

Government Minister Reiterates Decision To Spray Coca Crops

PA2511224894 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 25 Nov 94

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] Government Minister Horacio Serpa said today that despite the people's seizure of an airstrip in Miraflores, the government will continue to spray coca crops. He also reiterated his complete rejection of the narco-bill.

[Begin recording] [Serpa] We will continue to spray glyphosate because there are commercial coca crops in those regions, and the struggle against drug trafficking begins with crop eradication.

[Reporter] What is your opinion on the country's reaction to approval of the narco-bill? How does the government expect Congress to vote on this issue?

[Serpa] The people's opinion has been clear, upright, and, I believe, satisfactory. Now the people expect the honorable House of Representatives to respond by shelving the bill. [end recording]

Abductors Make Ransom Demand for U.S. Citizen

PA2711042994 Madrid EFE in Spanish 2109 GMT 25 Nov 94

[FBIS Translated Text] Santa Fe de Bogota, 25 Nov (EFE)—U.S. citizen Thomas Hargrove, press director of the Inter-American Center for Tropical Agriculture (CIAT) who was apparently abducted by guerrillas two months ago, is alive. His kidnappers are demanding millions for his release.

Acting Press Director Fritz Kramer made the announcement today and read a message from the kidnappers.

The CIAT official said that "the people who are holding him hostage did not identify themselves on the material they sent."

The CIAT is a research center for crops. About 100 scientists from several countries work at the center, whose base station is located in Palmira (southwest region).

Kramer refrained from stating how much the kidnappers have asked for Hargrove's release and called the abduction an affront to the international community.

It seems that rebels of the Revolutionary Armed Forces of Colombia (FARC) kidnapped the engineer and journalist, who had been living in Colombia for several

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

years, on 23 September when he was traveling from one community to another in Valle del Cauca Department in southwestern Colombia.

The CIAT said today that if their chief is not freed safe and sound, the international agency could leave the country.

FARC, Politicians Cited on Samper Peace Proposal

PA2311125994 Santa Fe de Bogota EL TIEMPO in Spanish 19 Nov 94 p 6A

[FBIS Translated Text] Spokesmen for the Revolutionary Armed Forces of Colombia (FARC) have reacted favorably to President Ernesto Samper's announcement on Thursday that peace talks will be held.

The EFE news agency reported this yesterday from Mexico City, where spokesman Marco Leon Calarca called the Colombian president's initiative "a good declaration."

Calarca stressed the fact that Samper, for the first time, spoke about personal security guarantees for the negotiators, and he added that the guerrilla organization supports "discreet, but not secret" peace negotiations. The FARC spokesman said it was advisable that the talks not be conducted in complete secrecy in order to prevent the interference of the military forces.

Calarca also said the subversive group agrees with Samper in that the negotiations be held on foreign soil.

"We had proposed that they be held in Colombia, but we do not object to them being held outside of Colombia," Calarca added.

Nevertheless, he questioned the fact that Samper said the negotiations could be carried out amid military operations.

"The truth is they have begun huge operations in zones in which they believe our directorate is moving," the FARC spokesman concluded.

Meanwhile, various sectors of society yesterday defined President Samper's proposal as "down-to-earth and realistic."

Although isolated voices criticized the fact that negotiations have been announced without first calling a cease-fire, the general feeling was that the government is taking concrete steps to sit down at the bargaining table and not withdraw until a definite agreement is reached.

Here is a summary of some of those opinions:

EDUARDO PIZARRO, politician—The announcement is tremendously positive for two reasons. The first is that it does not inspire the country with false hope, because Samper says that if we have endured the conflict for 40 years, we can wait two more years, if that is indeed how long it will take to reach a negotiated settlement.

On the other hand, it also is a message to the guerrilla forces that there will not be another Caracas or Tlaxcalas.

JORGE SEDANO, president of the Conservative Party Directorate—As a party we are in a position to support any government that wants to make peace.

Civilian society and the guerrilla forces are receptive to the negotiations. They all want negotiations that will conclude in an agreement. It is clear that this process is serious.

JESUS ANIBAL SUAREZ, Human Rights Commission—It is hoped that the president's invitation to immediately reduce the intensity of the war and to reach an agreement with respect for international human rights, as verified by the Red Cross, will actually occur and shift the conflict from the military arena to the political arena.

JUAN GUILLERMO ANGEL, president of the Senate—I am in favor of open negotiations, as long as the media's participation does not impede the proceedings.

Peace should be approached without a desire to become the leading actor, because the only thing gained through the presence of superstars is to have the proceedings become less serious. Given the government's desire for peace, the only thing missing is a sign from the other party that it also wants to negotiate.

CARLOS FRANCO, former EPL [Popular Liberation Army] combatant—The government should broaden the guarantees regarding the lives of the guerrilla negotiators, and it should prove its willingness to accept international arbitration, which would give the negotiations more credibility.

For their part, the guerrilla forces should clearly display their willingness to apply Protocol II. Also, room should be made to include civilian society.

MONSIGNOR PEDRO RUBIANO, Episcopal Conference—There are a number of innovations: a call to civilians, which will make them feel that the goal of peace is theirs; the need to conduct a process without protagonists, which will not raise false hopes; the start of a rapprochement amid war; and the application of Protocol II.

I would have liked that the guerrillas be required, for example, to turn over kidnapped individuals or to start disarming booby traps.

ALFONSO ANGARITA B., Liberal senator—The peace negotiations with the guerrilla forces should not take place in an atmosphere of heated exchanges. The talks must grow out of the firm and sincere desire for reconciliation by the groups that have taken up arms.

To proceed with negotiations that are subject to pressure, or those without a true spirit of disarmament by

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

any of the warring factions, will not guarantee a firm and lasting peace in any way whatsoever.

FARC Calls For Peace Talks, Bilateral Cease-Fire

PA2811041994 Paris AFP in Spanish 0224 GMT 26 Nov 94

[FBIS Translated Text] Cali, Colombia, 25 Nov (AFP)—The Revolutionary Armed Forces of Colombia (FARC), the most important guerrilla group, expressed this Friday in Cali, southwest of the country, their interest to hold peace talks with the government within the national territory and proposed a bilateral cease-fire.

This, the first response of the subversive organization to the recent peace proposal launched by President Ernesto Samper, is included in a communique released today within the framework of the Forum for Peace, organized by the Universidad Libre of Cali.

The message is signed by the Secretariat General of the FARC, the "Manuel Cepeda" Urban Military Front, and the western bloc of the rebel organization.

It states that in addition to the cease-fire and the selection of a place, the dialogue must address the issue of human rights, social justice, full democracy, and national sovereignty, all this with the participation of the media.

The FARC deems it urgent that "priority" in the talks be given to a bilateral cease-fire accord and termed "positive" the decision of President Samper to grant full guarantees to the combatants the rebels appoint as spokesmen.

Upon insisting that the first meeting be held inside Colombia, the communique states that "the contribution of the media to the peace process does not depend on the place where the talks are held, as demonstrated by experience, but on the agreements reached by all on ths subject."

President Samper, upon marking last 17 November the first 100 days of his administration, proposed the beginning of peace talks without making them conditional upon a cease-fire. He informed Colombians that "as long as the process lasts, there will continue to be incidents of violence... If this were not true, we would not be seeking peace."

Samper added that there would be no specific terms for the conversations, which he would conduct personally in a discreet but open manner and without the presence of the press. The president said he would prefer the talks be held abroad to give them more guarantees of success.

The FARC—the oldest guerrilla movement in America, because it has been active 40 years, with 12,000 men and 40,000 supporters—is the largest group within the Simon Bolivar National Guerrilla Coordinating Board, also comprised of the Army of National Liberation (ELN) and a small dissident faction from the Popular Liberation Army (EPL).

Samper Pleased With Rebel Communique on Peace Talks

PA2811042194 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 26 Nov 94

[From the "Cripton Newscast"]

[FBIS Translated Text] Colombian President Ernesto Samper has received with satisfaction a communique from the Revolutionary Armed Forces of Colombia [FARC] in which this group mentions the urgent need to establish a dialogue for peace.

The president is in the city of Pasto, where he announced big investments to improve the standard of living of the people of Narino. Osvaldo Flores has interviewed him.

[Begin recording] [Flores] The people of Colombia want to know what you plan to do now that the FARC has urgently requested a peace agreement.

[Samper] I have received this FARC manifestation of a desire for peace with satisfaction. The government had been expecting it. This is a process we will follow very cautiously, as I said in Popayan. We have decided to initiate a preparatory phase for eventual negotiations.

The government has received word of other rebel groups. I think that in the past few days we have made positive progress. [end recording]

Social promises reached Narino. President Samper promised 350 billion pesos to promote works and programs postponed for years.

Regarding border policy matters, the president announced the creation of a presidential advisory board and, in the framework of the Pacific Plan, the government will promote efforts to totally eradicate cholera by assigning 14 billion pesos to this effort.

Samper Endorses Idea of Security Cooperatives

PA2911020694 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 28 Nov 94

[Report by Sandra Vergara—passages within quotation marks recorded; from the "National Newscast"]

[FBIS Translated Text] Colombian President Ernesto Samper today endorsed the idea of creating private security cooperatives. This idea was announced by Defense Minister Fernando Botero Zea and has given rise to much debate. The strange thing is that the country is engaged in a controversy over an old topic. Cooperatives have been allowed by law since 9 months ago.

Decree 356, which was promulgated this year during the Gaviria administration, regulates the existence of vigilance and private security cooperatives. On assessing

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

their importance today President Samper seems to want to be the one to gain indulgence after someone else has said the prayer.

[Samper] "This is a measure that is being studied by the government and which for me has the value of showing the government's commitment to security in the countryside."

[Vergara] The defense minister said it is in fact the development of the law on gun control of Minister Rafael Pardo.

[Defense Minister Botero] "It establishes the possibility of creating vigilance cooperatives, both in the city and in rural areas. This is a proposal that I view as legally sound. The cooperatives would be under the strict vigilance and supervision of the state."

[Vergara] The defense minister said that recognized leaders of self-defense groups such as Victor Carranza and Fidel Castano cannot form part of the so-called defense cooperatives.

[Botero] "This is a program that has nothing to do with the ill-called paramilitary groups, self-defense groups, or private justice groups, which are outside the law as far as the government is concerned. Another thing is the existence, as I announced before the Congress, of a process headed by the government minister intended to dismantle those groups through the surrender policy."

[Vergara] The minister concluded that these rural security cooperatives will be given sophisticated communications equipment before they are equipped with powerful weapons.

ELN Spokesman, Defense Minister on Rural Security Cooperatives

PA2811152894 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 28 Nov 94

[From the "AM/PM Newscast"]

[FBIS Translated Text] Peace has taken an unexpected turn and could follow a different course from the one charted until now. On Friday, the defense minister proposed to ranchers the creation of rural security cooperatives. The announcement was interpreted as authorization to create private armies that would serve one sector of the country. Nevertheless, a ranking government source told us that what is involved is the legalization of existing paramilitary groups in an effort to control them and eventually dismantle them. In any event, the defense minister's statements are beginning to stir up a number of reactions.

The first reaction came today from Francisco Galan, spokesman for the ELN [Army of National Liberation], who stated in a communique that rural security cooperatives are not instruments of peace, but instruments of war.

In turn, the guerrilla leader proposes halting their legalization. In the face of paramilitarism, he proposes regional dialogues and departmental forums. He requests that a policy of coexistence be drafted through what he calls an agreement for life. He also requests that the people not be divided through offers of rewards that run against human principles. He proposes that the ranchers forget about the war and focus on the right to work and to guarantee social investments. Finally, the ELN spokesman calls on Congress to commit itself to peace.

Meanwhile, the defense minister clarified his position regarding the rural security cooperatives.

[Begin recording] [Unidentified reporter] Mr. Minister, the ELN, through Francisco Galan, has said that, via your proposal made in Cartagena to create vigilante security cooperatives, what you are really seeking is war, not peace.

[Defense Minister Fernando Botero Zea] I am not going to engage in a public argument with Mr. Galan. Naturally, as a government official, my only concern is with peace. The only government policy is one of peace. This is why the government is an enemy of the paramilitary groups; it is an enemy of the self-defense groups. The proposal I made a few days ago is intended to create direct state vigilance to guarantee the minimal amount of security required by certain sectors in the countryside—sectors that are currently facing serious security problems. [end recording]

Armed Forces, Police Personnel Changes Announced

PA2811043494 Santa Fe de Bogota EL ESPECTADOR in Spanish 24 Nov 94 p 10A

[FBIS Translated Text] The outgoing Armed Forces and Army commanders, Generals Ramon Emilio Gil and Henan Jose Guzman, who had been in active service for approximately 40 years, said goodbye to their troops yesterday.

Defense Minister Fernando Botero Zea explained that the changes "were painstakingly and thoroughly studied, and President Ernesto Samper made the decision."

"It is an important decision for national security and was made at a time when regular changes were due at the command level. Naturally, however, the government made those changes with a view to its priorities and the needs of its programs in this four-year term," he said.

Botero Zea explained that the changes did not respond to any investigations against the generals, "whom I evaluate very highly. Gen. Gil, the former Military Armed Forces commander, has excellent qualities and it greatly pains me to see him retire, because he is an honorable man with a clean and irreproachable career. Similar comments apply to the rest of the generals."

The first to say farewell to his assistants and leave the Defense Ministry was Army Commander Gen. Guzman, although his replacement, Gen. Harold Bedoya Pizarro,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

has not yet arrived from the United States. The rest were making the necessary transfer arrangements with their replacements.

Outgoing Air Force commander Gen. Alfonso Abondano was surprised with the news when he was undergoing his yearly health check-up at the military hospital. However, Abondano is scheduled to meet today with his replacement, Gen. Hector Gil. At the Navy, Vice Admiral Hernando Garcia accompanied for the last time President Samper to inaugurate military works in Cali yesterday, and later, turned over the command to Vice Admiral Holdan Delgado Villamil.

After the mentioned officers departed and new commanders were appointed, more changes took place at the command staff level.

It was established that the Armed Forces inspector general and the Joint Chiefs of Staff deputy chief would be Major Generals Raul Rojas Cubillos, current commander of the Army 4th Division, and Rodolfo Torrado Quintero, commander of the 1st Division stationed in Santa Marta.

The Defense Ministry Deputy Secretariat, which had been held by Navy vice admirals, will be assumed by Air Force Major General Jose Yesid Delgado Rojas who held the post of Colombian Armed Forces inspector general.

The Second Army Commander will be Major General Jesus Maria Vergara Aragon, former commander of the Army's 3rd Division in Cali. Based on seniority, Major General Ramon Eduardo Niebles Uscategui, director of the Advanced War College, should have occupied this position. However, Niebles Uscategui is in an intensive care unit at the military hospital and is compelled to retire. Major General Juan Salcedo Lora will leave the command line and become an adviser to the government. Major General Manuel Jose Bonnet Locarno, commander of the Second Division in Bucaramanga, will be the institution's inspector general.

It is rumored that Brigadier General Guillermo Zuniga Cabrera, who is the current Air Operations director and will be promoted to major general in December, will be the Air Force deputy commander. Brigadier General Fabio Zapata Vargas has been appointed Air Force inspector general.

Vice Admiral Roberto Serrano Avila, who was the Navy inspector general, is now the Navy second commander and Vice Admiral Gilberto Roncancio replaces Serrano Avila as inspector general.

At the police and in addition to Generals Vargas' and Diettes' retirement, Brigadier General Oscar Eduardo Pelaez Carmona will also leave the institution. General Rosso Jose Serrano Cadena assumes the command of the police and Brigadier General Luis Enrique Montenegro, who is the current Bogota Police commander, is the new Deputy police commander.

Paraguay

Arrested General Bernal Released on Court Order

PY2811164594 Asuncion ABC COLOR in Spanish 27 Nov 94 p 3

[FBIS Translated Excerpt] Division General Eumelio Bernal was released on 26 November after serving 10 days of the disciplinary arrest ordered by Juan Carlos Wasmosy, president of the nation and commander in chief of the Armed Forces. Gen. Bernal left the premises of the Presidential Guard at 0843 local time in compliance with the ruling of Judge Felix Silva Monges to the effect that his arrest had been illegal. Bernal stated that he would confirm each and every one of the statements that led to his arrest, and did not rule out the possibility of requesting his discharge from the Armed Forces so as to be able to speak out freely. He indicated, however, that military officers on active duty who are engaged in political activities should be discharged as well.

The office of the commander in chief of the Armed Forces complied with Judge Silva Monges' ruling and released Gen. Eumelio Bernal, retired, who was serving a sentence of disciplinary arrest at the Presidential Guard on orders from Armed Forces Commander in Chief Juan Carlos Wasmosy.

Gen. Bernal left the Presidential Guard shortly before 0900 local time, dressed in a spotless blue jacket and gray pants in the company of his wife Darcy Mangabeira. After talking briefly with journalists who were waiting for him outside, he went home, where he held a lengthy news conference. Deputy Walter Bower, a member of the Argana faction of the Colorado Party, visited Gen. Bernal at home and warmly embraced him.

Gen. Bernal said that his arrest had been unfair as he was a retired officer, which means that military discipline and regulations no longer apply to him.

According to Bernal his arrest was "undeserved, authoritarian, and arbitrary," because after his retirement "I have nothing to do with the Armed Forces. I recovered all my constitutional rights, and am free to engage in political activities as I please."

He stated: "If my arrest at the Presidential Guard was prompted by my political statements, then it was a legal aberration. Therefore, I plan to continue speaking, because I am a free man." [passage omitted]

National Encounter Changes Name To Comply With Law

PY2811204894 Asuncion ABC COLOR in Spanish 28 Nov 94 p 8

[FBIS Translated Excerpt] The special convention of the National Encounter Movement, held in San Lorenzo on 27 November, has decided that from now on this political group will be called the National Encounter Political Party [Encuentro Nacional, Partido Politico]. It is thus

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

complying with Article 67 of the Paraguayan Electoral Law, which states that political movements will cease to exist within two years of their creation if they fail to request their registration as political parties. [passage omitted]

The only issue on the agenda of the convention was the organization's name change, and after approximately two hours of discussion the 115 delegates present agreed to change the organization's designation from a movement to a political party.

The convention was immediately called upon to decide on the name of the new political party. The participants submitted several proposals, finally choosing between National Encounter Social Democratic Party [Partido Socialdemocrata Encuentro Nacional) and National Encounter Political Party. The majority voted for the latter, which means that from now on this independent organization will be known as the National Encounter Political Party.

The convention empowered the group's trustees to take the necessary steps to register the new name at the National Electoral Board. [passage omitted]

Peru

Army Commander Denies Trip to Cuba, Health Problems

PY2811222994 Lima Global de Television Network in Spanish 0130 GMT 26 Nov 94

[FBIS Translated Text] Army Commander General Nicolas de Bari Hermoza Rios reappeared today. He denied having travelled to Cuba, and said he was in perfectly good health. He also said that he has sent to the National Election Board [JNE] the list of Armed Forces members who have voter registration cards.

The Army commander made these comments at the end of an impressive ceremony to celebrate the 115th anniversary of the battle of Tarapaca at the Army Infantry School. The 115th anniversary of the battle of Tarapaca and Infantry Day was celebrated with a ceremony headed by Gen. Hermoza Rios. The highest-ranking authorities of the Army Infantry School attended the ceremony, which was held on the patio of the school. The ceremony ended after Hermoza saluted the various units. He then denied recent rumors about his health, which had supposedly compelled him to travel to Cuba.

[Begin Hermoza Rios recording] We should avoid petty speculation. The truth is that I am here fulfilling my duties in Lima, and will continue to do so until the president of the Republic decides otherwise.

[Unidentified reporter] [passage indistinct]

[Hermoza Rios] I travelled to Colombia, as you all know, to participate in a meeting of the high commands. This is the second bilateral meeting of the high commands held this year to coordinate and discuss military issues of common interest.

[Reporter] [passage indistinct]

[Hermoza Rios] How could the chief of state be misinformed? He is not misinformed. All I can tell you is I haven't left Lima. You—very few of you—make these kinds of commentaries. I do not know their purpose.

[Reporter] But it is quite a different matter to go to Puno to campaign in President Fujimori's favor [words indistinct].

[Hermoza Rios] Well, from the military viewpoint it is nothing of the sort. Your question naturally implies political issues, a political viewpoint, which is something I cannot give because I am a military officer. I am forbidden to discuss political machinations. The military are not involved in any electoral campaign activities.

[Reporter] [words indistinct] there is talk about a coup plot or fraud being planned in favor of the candidate...

[Hermoza Rios, interrupting] That is merely a political viewpoint. I therefore refrain from making any comments.

[Reporter] [passage indistinct]

[Hermoza Rios] The Army and the security forces in general will abide strictly by the electoral law and the regulations issued in this regard by the JNE.

[Reporter] Are you looking into the charges made by Captain Valdivieso?

[Hermoza Rios] We saw this case last year, and it was brought before the penal court. As soon as you start a moralization campaign, as soon as you start fighting drug trafficking, these kinds of things begin to surface.

[Reporter] [passage indistinct]

[Hermoza Rios] No, the military judge will hear this case first, and later the civil judge or prosecutor.

[Reporter] What about the military officers who have voter identity cards?

[Hermoza Rios] Right now the JNE has a copy, on diskette, of the list of Armed Forces members. Last night, I think, the JNE said that 5,150 officers have voter identity cards. [end recording]

Fujimori Offers Reward for Red Path Leaders

PY2811162794 Madrid EFE in Spanish 0115 GMT 27 Nov 94

[FBIS Translated Text] Lima, 26 Nov (EFE)—Peruvian President Alberto Fujimori announced today that his government will unleash an "inexorable persecution" of the Red Path terrorist group, and offered a $100,000 reward for the three top leaders of that group.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The president said the subversives will be persecuted "with all means." He asked for citizens' cooperation to capture Alberto Ramirez Durand, "Comrade Feliciano," Teresa Durand Araujo, and the terrorist known as "Comrade Rita."

Fujimori said these and other Red Path members "will be punished with all the force of the law" because they refused to avail themselves of the Repentance Law which expired on 1 November, and because they continue their actions.

Within the next few days all Peruvian media will publish photos of the three leaders and advertisements offering the $100,000 reward for those who provide information that leads to the arrest of the terrorists.

Red Path, headed by Ramirez Durand, split from the maoist Shining Path group at the end of 1993, rejecting the decision by Shining Path leader Abimael Guzman, who sought peace with the government upon recognizing the defeat of his movement.

"Feliciano" and his followers reject the "peace agreement" proposed by Guzman and expressed their decision to continue the "popular war" unleashed by the old leader in 1980, but their performance has been very weak so far.

Fujimori said he will behead the Red Path within the next few months and thus fulfill his promise of eliminating terrorism before July 1995, the end of his term in office.

Fifth-Ranking Red Path Leader Arrested

PY2811215794 Madrid EFE in Spanish 1510 GMT 28 Nov 94

[FBIS Translated Excerpt] A police spokesman reported today that an important Red Path leader, Clara Gonzales Otoya, 36, was arrested by police in Trujillo, a city located 500 km north of Lima.

The police spokesman added that Gonzales Otoya ranked fifth in the Red Path leadership. He added that she did not resist when she was arrested on 26 November, in a house located only two blocks from Trujillo's main square.

The police officer explained that "she only tried to confuse the police agents who arrested her, telling them that her name was not Clara but Angela; but she later surrendered without resisting." [passage omitted]

Fujimori Dedicates Airport Communications System

PY2811210894 Lima Global de Television Network in Spanish 0130 GMT 26 Nov 94

[FBIS Translated Text] President Alberto Fujimori today dedicated the new automatic message communications system of the Corporation for Airports and Commercial Aviation, Corpac, which is regarded as the most modern and complete system of its kind in Latin America.

In his speech Fujimori said that Peru cannot remain stagnant, and he will therefore continue to dedicate projects necessary for the country's development.

The new automatic message communications system was dedicated during a ceremony attended by the chief of state in the radar room of Jorge Chavez International Airport.

President Fujimori stated that although some people are against dedicating projects, this is not possible as it would mean blocking the country's development.

The dedicated system is the most modern and complete of its kind in Central and South America, and is connected to the world telecommunications network.

[Begin Fujimori recording] Corpac has finally become a leader in this sort of security and control system for national and international flights. Regarding this type of communications it has become number one in Latin America, and a reason for pride in our country. Just as we are number one in this field, and number two in [words indistinct], we are also number one in fighting terrorism [words indistinct]. We can now say we are the leaders in communications, in security systems in Latin America. [end recording]

Fujimori noted that Corpac is now a great enhancement for tourists, not only on the surface but also for the security granted by this new system, which is breaking ground for the great tourism boom expected in Peru. This system is superior to the previous one, which was 30 years old and placed the lives of national and international air passengers at risk. The French-made [name indistinct] equipment cost $1.8 million.

Poll: Fujimori Leads, Perez de Cuellar's Support Decreases

PY2911011594 Madrid EFE in Spanish 1900 GMT 28 Nov 94

[FBIS Translated Excerpt] Lima, 28 Nov (EFE)—According to a poll by the Peruvian Marketing Research Company (CPI) that was disclosed today, President Alberto Fujimori has increased his lead in the 9 April 1995 elections, with a support rating of 50.9 percent. Moreover, support for his most serious contender, Javier Perez de Cuellar, has decreased to 17.2 percent.

The poll, conducted nationwide from 22 to 25 November, places Economist Alejandro Toledo in third place with 8.1 percent.

In previous polls Fujimori obtained 46.4 percent, former UN Secretary General Javier Perez de Cuellar obtained 18.7 percent, and Toledo 9.1 percent.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

As for the other Peruvian presidential candidates, 15 in all, former Education Minister Mercedes Cabanillas, running for the American Popular Revolutionary Alliance (APRA), obtained 3.2 percent, and legislator Lourdes Flores Nano, of the conservative Popular Christian Party, obtained 1.7 percent.

Moreover, Raul Diez Canseco, of the center-rightist Popular Action, only obtained 1 percent; Alfonso Barrantes, of the United Left, obtained 0.9 percent; and Lima Mayor Ricardo Belmont, of the Obras Civic Movement, obtained 0.8 percent.

According to the poll, in an eventual runoff election between Fujimori and Perez de Cuellar, which will not be necessary if Fujimori continues to maintain the current advantage, Fujimori would obtain 66 percent against Perez de Cuellar's 28.9 percent.

In an eventual runoff between Fujimori and Toledo, the result would be 67.4 percent for Fujimori versus 22.5 percent for Toledo. [passage omitted]

Yoshiyama on Fujimori, De Cuellar, Campaign

95SM0058B Lima DEBATE in Spanish Sep-Oct 94 pp 8-13

[Unattributed interview with Jaime Yoshiyama, president of the Democratic Constituent Congress; date and place not given: "Yoshiyama: My Style Is To Persuade"]

[FBIS Translated Text] Jaime Yoshiyama is without a doubt one of the current government's principal protagonists. He has served as minister of transportation and communications, as minister of energy and mines, and also as president of the Commission to Promote Private Investment. At present he presides over the Congress. In this conversation with DEBATE, Yoshiyama spoke about the current political situation and about his personal life experiences.

[DEBATE] What did the government learn from the constitutional referendum?

[Yoshiyama] The referendum had two positive aspects. First, a very good constitution, one which will contribute to the development of the country, was approved. But on the other hand, the people sent us a message to the effect that we must reorganize certain things. The referendum sounded a warning bell, because we had not thought that the margin of approval for the Constitution would be so narrow. It forced us to review some aspects of the government program, such as the need to devote more attention to the provinces.

[DEBATE] Do you believe that there are parts of the Constitution that could be amended?

[Yoshiyama] Obviously, yes.

[DEBATE] What are they? The death penalty, for example?

[Yoshiyama] Yes, I believe this is a constitutional provision that we can correct. It is important to remember that when we decided to include it, the situation with regard to terrorism was very different. But now, fortunately, things have changed substantially. Therefore my personal view is that we should eliminate it from the Constitution.

[DEBATE] Less than a year before the end of this government term, what is your assessment of it?

[Yoshiyama] I see Fujimori as a triumphant president. Four years ago, the people gave him a mandate to wage the battle against terrorism and hyperinflation, and the president has returned from the battlefield with scars and scratches, but victorious. Now, then, he wants to plunge deeper into the problems of poverty and unemployment. Since terrorism and hyperinflation are issues that have been dealt with, the people have now forgotten them and are concerned with unemployment, wages, and poverty. These will be the central themes of the campaign.

[DEBATE] How do you explain the fact that although Fujimori enjoys a 69-percent approval rate, only 45 percent of the people say they will vote for him?

[Yoshiyama] The figure that seems important to me is the high approval rate, above all at the end of his term of office. As to the 45 percent who intend to vote for him, I think that we must wait until the official candidacies are announced.

[DEBATE] Could this be related to the authoritarian style for which President Fujimori has been criticized?

[Yoshiyama] I do not think so. Recently, the president's style has changed greatly as the situation has improved. The problem is how people viewed him at the beginning. Let us not forget that his first pronouncements were very harsh, because the situation was a difficult one. However, his statements have gradually become more consensual.

[DEBATE] On what does Fujimori's reelection depend? How can those who approve of him now but are not inclined to reelect him be persuaded to do so?

[Yoshiyama] Assuming that he becomes a candidate, the president will certainly explain in the coming months what he is going to do in the next five years. In his message last 28 July, he set forth a series of goals that he is likely to explain in some further detail. The issues include decentralization, poverty, education, health, and agriculture—a sector that needs to be transformed.

[DEBATE] Indeed. Why is it that so few agricultural reforms have been effected under this government, unlike the situation with regard to other sectors?

[Yoshiyama] Agriculture is a much more complicated sector, because it involves a very large population. Conversion from a state agrarian system to a modern one is a major transformation. In the past, the Agrarian Bank

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

practically made a gift of more than $500 million every year. Making the transition to a healthy economy with an agricultural sector oriented toward export will be very difficult. And it will additionally require ownership of the land, roads, etc. In agriculture, as in the health sector, many changes will be required. It is not that no progress has been made, but that in these sectors, the process is more difficult.

[DEBATE] Whose candidacy—that of Javier Perez de Cuellar or that of Ricardo Belmont—is more worrisome to the government?

[Yoshiyama] Both.

[DEBATE] What is your view of each of them?

[Yoshiyama] Perez de Cuellar is a good candidate. He is a fine man who enjoys great domestic and international prestige. But I think he has some problems. The first is that he is not yet sufficiently up-to-date with regard to the country's problems. For example, his views on the foreign debt, which have been criticized by Camdessus, confirm this. In addition, his view of privatization surprises and worries me. I do not know if electoral motives underlie his thinking, but anyone who wants to govern must have a firm and clear opinion on such important issues as privatization, education, poverty, and a balanced economy. I believe that the country is going to realize that he will need a great deal more time in which to adapt himself to the national reality. But no one could expect him to understand matters in full detail after 40 years outside the country.

[DEBATE] And what is your view of Belmont?

[Yoshiyama] There are positive points in his regard. The main one is that he communicates well with the poorest sectors. But, with all due respect, I believe that his main problem is that he has not to date shown that he has reached the statesman's level required of a president of the Republic. Secondly, a number of the mayors in the Obras [Works] movement have pursued a line of conduct that leaves much to be desired, and this is an example of his ability to organize teams. How would he choose his ministers if he were elected?

[DEBATE] How much damage can Susana Higuchi do to Fujimori's campaign?

[Yoshiyama] This will depend on the credibility of her accusations. It is my impression that at some time during the first half of this year, she decided she would like to be president. The fact that she offered the vice presidency to Rafael Rey is proof of this. Anyone who decides to be a candidate today will have Fujimori as his principal obstacle, and will therefore want to attack him.

[DEBATE] Do Higuchi's charges about corruption concern you?

[Yoshiyama] When things have been clarified, the people will see the truth. Her credibility has already been seriously damaged, because the charges made to date are totally without foundation.

[DEBATE] What role does Vladimiro Montesinos play in the government? Do you know him?

[Yoshiyama] Obviously I do. He is an individual very close to the president, one who works well with him. Montesinos is intelligent and unpretentious, and he understands the problems of the state very well. His specialty is the security, defense, and terrorism area. When the history of the struggle against terrorism is written, it will be recognized that Peru owes Montesinos a great deal.

[DEBATE] And what is Santiago Fujimori's concern in the government?

[Yoshiyama] As a lawyer, he advises his brother, the president. Santiago is deeply committed to modern methods, and he has a very clear idea of what this means in the economic sector.

[DEBATE] You are a businessman who became involved in politics and who now plays a protagonistic role in the government. What is your background?

[Yoshiyama] I studied industrial engineering at the UNI [National Engineering University] from 1960 to 1965. Then I went to work in my father's factory in Huancayo, where I also taught at the Central University. A year later some ESAN [School of Business Administration] professors, including Eric Topf and Reynaldo Roberts, came to lecture at the school. I became interested in the ESAN and decided to go to Lima and enroll. I graduated first in my class, and they sent me to the University of Michigan to study for a master's degree in business administration. I returned to this country in 1970.

[DEBATE] Then you went to work in the public sector.

[Yoshiyama] I talked with a number of people, but in the end I decided to work for the state. I stayed for almost six years, first in the Planning Office of the Ministry of Industry, and then I went over to INDUPERU [Peruvian State Industries] when it was established.

[DEBATE] How did your perception of the role of the state in the economy change between the 1970s, when you participated in the establishment of state enterprises, and the 1990s, when you became the head of the government privatization effort?

[Yoshiyama] Those of us who worked on the creation of state enterprises were firmly convinced that these were industries Peru needed. We thought that if the private sector was not taking this action, the state must do so. And we also thought, quite naively, that all of those who were going to manage the state enterprises would do so correctly. What happened in practice persuaded us that we had been mistaken. I was amazed by the whole system of state corruption that this generated. The state enterprises became prizes for those who had worked on the campaign, and this was a great source of inefficiency and corruption. This is one of the factors that persuaded me of the importance of privatization.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[DEBATE] Are you concerned about the high percentage of foreign capital involved in the privatization process?

[Yoshiyama] Absolutely not. It would please me if the domestic capital that is outside Peru were to be invested in a larger proportion than foreign capital. But our first priority is to generate jobs and to wage the battle against poverty. And so then, we must give priority to investment, whatever its source. If we want to be a modern developed country, we cannot discriminate against any foreign capital. We must treat it exactly the same as we do domestic capital. We must do away with all of these cobwebs we may have in our heads. Fortunately, the Constitution clearly provides that there must be no discrimination against any domestic or foreign investor. It does not please me, for example, that a foreign tourist is charged more to visit Machu Picchu. This seems insane to me.

[DEBATE] What did you do after working for the state?

[Yoshiyama] In 1975, I went to Harvard to pursue a master's degree. There I took course in economic development and business administration. This was an extraordinary and intensive year during which I met many people and learned a great deal.

[DEBATE] What did you do on your return to Peru?

[Yoshiyama] At that time, I met Efrain Goldenberg. He was a businessman, and he asked me to become the manager of one of his companies. I did not know him well, but I knew of his excellent reputation in business circles. Little by little, a strong personal chemistry developed between us, and some years later we became partners.

[DEBATE] What did you do in 1990?

[Yoshiyama] Like many Peruvians, I was very interested in the future of the country and in the changes that it could be seen would occur if Mario Vargas Llosa became the head of the government. And so I attended all of the lectures and seminars pertaining to this issue.

[DEBATE] Did you vote for Vargas Llosa?

[Yoshiyama] No, I voted for Fujimori. Vargas Llosa seemed to me somewhat artificial, a sort of cosmopolitan figure trying to participate in the native dances with the people in Puno. It always seemed to me that he would have political problems. In addition, I did not like some of the individuals surrounding him.

[DEBATE] Why did you vote for Fujimori, when he advocated ideas no businessman would support? Or did you do so because of his Japanese origin?

[Yoshiyama] Fujimori had an excellent reputation in the Japanese community as a very hard worker, and I voted for him basically for this reason.

[DEBATE] Had you known Fujimori?

[Yoshiyama] I do not recall that I had ever seen him.

[DEBATE] Why did you refuse to join Fujimori's first cabinet?

[Yoshiyama] I was traveling abroad on business after the second round when one of Juan Carlos Hurtado's advisers called me to offer me the Ministry of Industry. He gave me 24 hours to respond. I do not know how President Fujimori learned of my existence. I was the first to be surprised. Perhaps it was through Santiago Fujimori, who was looking for people to serve in the new government. But I did not accept because I had a number of business commitments. Moreover, I was a businessman, an administrator to whom the idea of being a minister had never occurred. Nor did I believe I had the qualifications for the job. Furthermore, I did not know Fujimori, and I believe that ministers should be individuals in whom the president has the greatest confidence.

[DEBATE] But you accepted the offer to head ELECTROLIMA [Lima Electric Power Enterprises].

[Yoshiyama] Yes, because it did not seem to me a bad idea to work with the government in a business capacity, and because I thought that it would not take up too much of my time, since I could not abandon my private activities, either. And so I began to learn about the tremendous problems the state enterprises were having, and I became convinced the need to privatize them. Also, I was made director of the CONADE [National Development Corporation]. In both capacities, I had many opportunities to work directly with President Fujimori.

[DEBATE] What was your first meeting with him like?

[Yoshiyama] I remember the first time I saw him perfectly well. He was wearing a leather jacket and working in his office. I was surprised by how detailed his understanding of the ELECTROLIMA problems was. In later conversations with those in charge of other enterprises, I learned that it was the same with all of them. President Fujimori spent a great deal of time in careful study of the state enterprises.

[DEBATE] What strengthened your relationship with Fujimori?

[Yoshiyama] It was a gradual process, during which I came to appreciate his character. One day in January of 1991, he summoned me. I thought it would be to discuss ELECTROLIMA projects, but then he asked if I would serve as his minister of transportation and communications. I told him that I was not born to be a minister, and that I was happy as president of ELECTROLIMA and director of the CONADE. After hearing me out, he said "think about it, but the swearing in is on Monday." The members of my family did not like the idea, because they greatly feared for my safety.

[DEBATE] Do you think that there is something in your style of work that inspires confidence in Fujimori?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Yoshiyama] I do not know. This is not a question for me to answer.

[DEBATE] With Carlos Bolona, for example, this relationship of open confidence did not exist.

[Yoshiyama] The president did indeed come to have great confidence in Carlos. The many reforms the government undertook that he promoted are proof of this. The fact is that Carlos has a confrontational style. If he is convinced of something, he will fight to the death for it, and he is willing to clash with others. My style is different. I try to persuade people. Carlos may perhaps have been the more effective one, particularly at a time when there were many things that had to be done in a very short time. Carlos and I complemented each other very well, and we developed a very good relationship that has lasted until now.

[DEBATE] That is curious, because Fujimori's style seems more like that of Bolona. Is Fujimori confrontational?

[Yoshiyama] He does not seem to me to be. People have the impression that Fujimori does not listen, but I can state with absolute honesty that he does indeed listen. He is an individual who says nothing during a meeting until the very end, when he makes his decision. He is someone to whom one can state matters very frankly, however unpleasant they may be. He is very accessible.

[DEBATE] What are the Peruvian citizens of Japanese origin like?

[Yoshiyama] There are two types of descendants of the Japanese. Some, for one reason or another, remain close to the Japanese community. For example, those who go regularly to the Nisei Club, while others do not. I have not become a member of the Nisei Club circle, because I come from Huancayo. Perhaps if I had lived in Lima...

[DEBATE] How did the regrettable events of the 1940s affect the Japanese community in Peru?

[Yoshiyama] The older people were probably affected, but my generation was not at all. My father was a prisoner during the war, when all of the Japanese were locked up because it was thought they were conspirators. However, my parents saw this as something natural in wartime, and they are not bitter about it. In my family this was not discussed. The only thing they told us was "don't get involved in politics." For this reason the nisei of my generation have not wanted to enter politics. What happened with me is that I became president of the Students' Center at the university, and this left me with some political concerns.

[DEBATE] When did your parents come to Peru?

[Yoshiyama] My father was 15 when he came to Peru. He lived for a time in Lima and then moved to Huancayo. Three years later, he returned to Japan to bring his first cousin, my mother, back to Huancayo. My father began as a peddler, and later he established a clothing factory. I have four brothers and sisters. The two oldest are doctors, my sister is a biologist, I am the fourth child. My youngest brother is an economist.

[DEBATE] Does your family still live in Huancayo?

[Yoshiyama] No, they have all come to Lima. The process began with my oldest brother Jorge, who wanted to study medicine in San Marcos. My father objected, like all of the fathers in the Japanese community, who hope that the eldest son will go into the family business. But my mother, who is a very intellectual woman, had it very clear in her mind that her son would not be a merchant like her husband. She wanted professional careers for her children, because she believed this to be the only way of succeeding in life. And so Jorge went off to study, then my sister did, and the rest followed.

[DEBATE] Have you experienced discrimination at some time because of your Japanese origin?

[Yoshiyama] No. I have no unpleasant memories in this connection. On the contrary, I believe that I have benefited from "positive discrimination," because the people of Japanese origin enjoy an excellent reputation as honest and hardworking individuals.

[DEBATE] Although the Japanese government has given Peru considerable aid, Japanese businessmen are still not investing in Peru. This is somewhat different from what has been happening in connection with the United States in recent years. How do you explain this?

[Yoshiyama] The Japanese businessman is much more conservative than the North American businessman, but once he makes a decision he follows it up wholeheartedly. One thing that has not been forgotten in Japan is the slaughter of the Japanese engineers in Huaral. When I was in Tokyo, journalists often asked me about this tragic incident. And so, when there is talk of investing in Peru, some people still remember that event. But I am certain that this is already changing, and that we will soon see concrete proof.

Candidate Barrantes: Campaign of 'Mass Education'

95SM0058A Lima SI in Spanish 24 Oct 94 pp 28-31

[Interview with Alfonso Barrantes, presidential candidate of the Electoral Alliance of the United Left, by Victor Carranza; place and date not given: "Left's Crisis Such That It Needs Not Only Reorganization, But Recreation"]

[FBIS Translated Text] Alfonso Barrantes, the former mayor of Lima and a presidential candidate for the third time, is one of the most important individuals in the languishing Peruvian left wing. Maintaining his characteristic sense of humor, he granted us this interview and spoke about the things of greatest concern to all the citizens of Peru—politics and the future of the country.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Carranza] Dr. Barrantes, Pablo Macera has said that a social and economic model that will last at least 25 years, with or without Fujimori, is being implemented in Peru. What is your view on this?

[Barrantes] I want to make it clear that although the need to modernize the country, its economic and political structures, is undeniable, this does not mean that the steps this government is taking guarantee, in and of themselves, that the result will be success or that the model will last 25 years. Mr. Fujimori's romance with the businessmen does not guarantee that they will fulfill their role. Alan Garcia, who said that one should not be naive in politics, believed in the businessmen...and they betrayed him. They did not reinvest in the country, but took their money to Miami. Who can assure us that this will not happen again? And if it did, not even all the support the multilateral bodies are giving our president could prevent a collapse. On the other hand, this model has limited goals. We note that we are not hearing about a "policy of progress," but about "stabilization plans." And the social cost of these plans has a limit. Sabotaged by the businessmen, the intended beneficiaries, and opposed by the popular masses, this neoliberal model might not last so long.

[Carranza] It has also been said that there is no other workable model. Does the left wing have an alternative proposal?

[Barrantes] Those of us on the left are not only denouncing the inhuman face of this model, which seeks to articulate the history of the peoples as a function of the interests of international companies, but are drafting alternative proposals, as well. Our basic thesis is that until we recover the identity of this "nation in formation," until we reconcile our relationships with the material conditions of our existence and with ourselves—in other words, until we live in a way consistent with our economic and social realities, our ecology and our traditions, the achievement of self-sustaining development for Peru will be pure fantasy. This struggle for identity involves recognizing ourselves as a country that not only has many classes, but is also multicultural and multiethnic. Until we overcome racism and regional discrimination, until we create a space where all Peruvian citizens can meet, we will have no future. And this does not imply any lack of connection with the world reality. Quite the contrary. It is the best guarantee of establishing just and advantageous relations within an economy that is becoming increasingly internationalized.

We believe that only a program of this nature can guarantee the democratization of all of the social structures and the development of the full creative potential of the millions of men and women in this country. Even further, it would provide the conditions needed to enable many businessmen to overcome the erratic tendency to live in denial of and opposition to the national interests.

We Want To Survive

[Carranza] But a program is only worth as much as the forces supporting it. Will a left wing in crisis be able to develop its proposals?

[Barrantes] Motivated by a simple desire to survive, we see that the forging and development of this creative alternative is the only way we can rebuild ourselves as an alternative political force. Moreover, in order to understand the crisis in the left wing, it is necessary to separate the "social left" (those multitudes of Peruvian citizens who, forsaken by the system, are organizing and struggling in one way or another) from the "political left" (party representations). We note that the crisis is affecting the leadership more than the masses. The reasons for this crisis are many, but the most important one has been our dogmatic affiliation with the centers of international power—Moscow, China, the Trotskyite International, and so on. (And to think that Mariategui was a Peruvian!) The political representation of the left wing was an exotic patchwork, powerless to outline a consistent proposal for national development. This caused us to lose sight of the horizon when the masses catapulted us forward as the second most important national political force in the last decade. The priority the leaders assigned to ensuring the supremacy of their "correct" ideological line led us, on the one hand, to a policy of liquidation, and on the other, to what I call the "zeal for seats"—the battle waged for parliamentary quotas so as to crush their "allies." Although it should be noted that despite these shortcomings, the left wing, as we have known it, was developed with the masses, and it is in crisis because it has lost contact with them. And our crisis is such that it is not even a question of reorganizing the left wing, but rather of recreating it as a function of the requirements at the base level. Finally, since the left wing is not just a generous intellectual concept, a society filled with inequalities could undertake to overcome the thinking of the left wing and its parties, and even, for a time, to reduce them to impotence. But it will never do away with the left wing entirely, because it is this sector that will revive itself.

[Carranza] What chance does the left wing have in the coming elections?

[Barrantes] An excellent chance, if we realize that the electoral process will enable us to reestablish contact with the masses through a Mariateguist program and conduct. We are thinking not so much in electoral terms, but are planning on launching an education campaign for the masses, and in this process, recreating our structures and attempting the great leap forward—to becoming, as a united left wing, a single mass political organization, a single party. At least this is the proposal some of the parties and leaders within this alliance are sponsoring. A body of this kind will be the best guarantee that we can recover the space lost and channel the creativity and the discipline of our members and sympathizers.

The Former Supporters

[Carranza] And what is the best way of motivating your former supporters to return to the left?

[Barrantes] The doors are open to those who as a result of confusion packed up and left, because a proposal like

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

that we are advocating needs all of them. Although there are also others almost beyond saving, those whose "realism" led them to think that "the left is dying, so let us go over to the right wing."

[Carranza] What prevented the formation of a broad front based on the candidacy of Perez de Cuellar?

[Barrantes] Perez de Cuellar might be the candidate of consensus, but his electoral calculations, or his prejudices, led him to deem such a front unnecessary. These same prejudices led him to withdraw Daniel Estrada from his slate, which was a very serious error.

[Carranza] Do you believe that these "errors" of Perez de Cuellar's might enable Fujimori to win on the first round?

[Barrantes] I do not believe Fujimori will win on the first round. And if he does not win on the first, I am persuaded he will not win on the second.

[Carranza] And if things developed so that Perez de Cuellar were to win on the second round, would you not characterize this as a weak government?

[Barrantes] There is a great deal of talk about the need for a strong government, and we share this view. The left wing would also establish a strong government if it won. But let us emphasize that the strength of a government depends on social justice. A force that maintains inequalities and regional discrimination is a weak force, one that will meet resistance and will in the end adopt authoritarianism as its shield.

[Carranza] Socrates said he was a friend of Plato, but even more a friend of the truth. Might your enmity with Alan Garcia prevent you now from identifying his political errors?

[Barrantes] I think that his youth and his triumph at such an early age may have led Alan to overvalue his ego, due to a certain extent to a great deal of personal insecurity. This caused him to act without regard for his party and the masses who supported it, and to act in such an authoritarian fashion that convergence became impossible and disagreements were provoked instead. On the other hand, his faith in the twelve apostles (and the angels and archangels) led him to rely on a business class that demanded everything and gave nothing. (I do not know why, but it seems to me as if I were talking about Fujimori.)

[Carranza] It has been said that Alan consulted you prior to making his decision to turn the banks over to the state. Is that true?

[Barrantes] I was consulted about it, and I said that we in the left wing were reassessing the value of widespread statism, and that what was needed was to look for other creative ways of democratizing the economy. I expressed the view that whatever the case, it should only be necessary to transfer the Credit Bank to the control of the state. But Alan was at odds with his partners. He felt that he had been deceived, and he swore vengeance. The result is well-known. The businessmen brought all of their power to bear. And Vargas Llosa launched his neoliberal crusade and proclaimed himself the natural leader of the right wing. To block Vargas Llosa, the masses voted for Fujimori. I read somewhere that history is cunning.

I would like to say in my own defense that my friendship with Alan Garcia had a political aspect—my conviction that it was necessary to forge a broad front with the popular masses in the left wing and the APRA [American Popular Revolutionary Alliance]. This is a conviction I still have, although I will now have to be more realistic. Unity will be created at the base level and as broadly as possible, with all of the base-level organizations of the popular movement.

[Carranza] Speaking of your convictions, have you ever been tempted to marry?

[Barrantes] I can answer you in the words of the poet. "I refuse to exchange my love for suicide."

DEBATE Publishes Annual Political Power Poll

95P2O194A Lima DEBATE in Spanish Aug 94 pp 16-32

[FBIS Media Note] The Lima quarterly DEBATE published in August its fourteenth annual poll on political power and related issues, such as the efficiency or inefficiency of government agencies, public corruption, and the relative political strength of opposition leaders. Questionnaires were sent to 1,000 people, "representative of various spheres in Peruvian society," but only 394 responded, representing, according to DEBATE, "politics, business, the military, professionals, and intellectuals."

Among its reported results:

—Those ranked highest in personal power were: (1) President Alberto Fujimori; (2) Vladimiro Montesinos, presidential adviser; (3) Nicolas de Bari Hermoza, chief of Armed Forces; (4) Jaime Yoshiyama, president of the Constituent Congress (CCD); (5) Jorge Camet, minister of economy and finance; (6) Santiago Fujimori, brother of the president; (7) Javier Perez de Cuellar, former UN secretary general and presidential candidate in 1995 elections; (8) Dionisio Romero, president of Aero Transporte S.A.; (9) Ricardo Belmont, mayor of Lima and presdiential candidate; (10) Ricardo Durand, bishop of Callao.

—Some 73 percent believed President Alberto Fujimori would win reelection in 1995, 60 percent did not believe there would be a military coup between 1995 and the year 2000, and 94 percent thought the current economic program should continue, with some adjustments.

—The judiciary, the Congress, and the National Police were considered to be the least efficient institutions.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The judiciary and the National Police were also viewed as "the most affected by corruption."

—The challenges facing the next government (elections are scheduled for 9 April 1995) were: employment, poverty, pacification, strengthening of democratic institutions, recession, education, and economic growth, in descending order of significance.

—Those who made the top 10 in 1993 but not in 1994: Congressional First Vice President Carlos Torres y Torres Lara (from 7th to 11th), novelist and 1990 presidential candidate (Democratic Front) Mario Vargas Llosa (from 8th to 20th), former Economy Minister Carlos Bolona (from 9th to 22nd), and Church primate Augusto Vargas Alzamora (from 10th to 14th).

—Among members of congress, CCD President Jaime Yoshiyama took first place, followed by CCD First Vice President Carlos Torres y Torres Lara and Congresswoman Martha Chavez. —Of those in the business community, first place went to Dionisio Romero, president of Aero Transporte S.A.; second place to Juan Antonio Aguirre Roca, former president of the National Confederation of Private Business [Confiep]; and third place to current Confiep President Arturo Woodman.

—Among religious leaders, Cardinal-designate Augusto Vargas Alzamora was seen as most powerful, followed by Callao Bishop Ricardo Durand and Catholic cleric Gustavo Gutierrez.

—Institutions "most affected by corruption" were: the judiciary, the National Police, the Armed Forces, the customs administration (Sunad), the Ministry of the Presidency, public registries, the Ministry of Health, in descending order. Institutions considered the least efficient were: the judiciary, the Congress, the National Police, the Peruvian Institute of Social Security (IPSS), the city of Lima, the public registries, and the Ministry of Health.

—The most efficient institutions were considered to be: the National Tax Administration Superintendency (which was completely revamped in 1992 and which has increased tax collection from 4 percent in 1990 to about 12 percent in 1994), the Catholic Church, the National Counterterrorism Directorate, the Armed Forces, the National Institute for the Protection of Free Competition and Intellectual Property (which in recent months has conducted an extensive advertising campaign to discourage piracy), the Commission for Promotion of Private Investment, and the Central Bank, in descending order.

Pescaperu Sells First State Company

PY2911015194 Lima Global de Television Network in Spanish 0130 GMT 26 Nov 94

[FBIS Translated Excerpt] The shares of the Chicama Fishing Company of Trujillo were sold this morning in the presence of the Special Privatization Committee of Pescaperu [State Fishmeal and Fish Oil Production Agency]. The price obtained was more than $2 million over the established basic price.

The basic price established for the sale of the company was $6 million, and it was purchased by the Fishermen's Union Inc. for $8.9 million. [passage omitted]

Inefficiency, Corruption of Judiciary Reported

95SM0059A Lima LA REPUBLICA in Spanish 9 Oct 94 pp 8-10

[Article by Angel Paez: "The Dreadful Court"]

[FBIS Translated Text] Reports of injustices and inept or immoral judges have been increasing over the past few years. The judiciary is being kept from imposing sanctions on many of its members who are involved in cases of corruption by removing them from office because of the Constituent Democratic Congress' delay in promulgating the Constitutional National Magistracy Council Law. If misconduct in office by a justice administration magistrate or official is established, the judiciary cannot sanction him by removing him—as it should—because the institution that has the power to apply disciplinary actions, the National Magistracy Council, has not been organized by the Constituent Congress.

Before the promulgation of the new Constitution, the Judiciary Executive Council had, at the suggestion of the Office for the Supervision of the Magistracy, the power to sanction justice administration judges proven to have been guilty of misconduct in office by removing them.

But Clause 3 of Article 154 of the new Constitution indicates that among the functions of the National Magistracy Counil is that of "imposing the sanction of removal from office on members of the Supreme Court and attorney generals and, at the request of the Supreme Court of Council of Attorney Generals respectively, on judges and public prosecutors of courts of all jurisdictions."

According to the Constitutional Judiciary Law, which went into effect on 1 January 1992, the sanctions and disciplinary actions are: warning, fine, suspension, separation, and removal from office.

Since the judiciary is prevented from imposing removal, the Executive Council imposes separation, as though the maximum sanction were involved.

According to Article 215 of the Constitutional Judiciary Law, "it is right and proper to impose removal on a magistrate or official who commits a serious offense against the respectability of the judiciary; on one who has committed a serious act—but one which is not a crime—compromises the dignity of his office, and is unworthy in the eyes of the public, provided he has been previously sanctioned with suspension; on one who has been convicted of a crime of sexual harassment; on one

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

who functions in a legally handicapped way; on one who has been sentenced to punishment for a crime involving fraud that deprives him of his liberty; on one who repeats an act that results in his suspension and in the other provisions specified by law."

So far in 1994, the Office for the Supervision of the Magistracy has sanctioned 33 justice administration magistrates and officials with separation, but of this number only 19 are actually cases of separation. The rest of them 14 cases, really should have been removed.

Mirror of Reality

Since the constitutional Judiciary Law indicates in Article 218 that "separation is right and proper when it has been established that a magistrate, official, or assistant does not have the qualifications required for the post," the passage has been widely interpreted in such a manner as to punish those who really deserve to be removed from office with this sanction.

Of the 538 sanctions imposed in 1994, the separations (33) represent only 6 percent of the total.

The judiciary did therefore not impose the removal of 14 justice administration magistrates and officials, but their separation.

While both measures involve expulsion of the sanctioned individual from his post, the legal concepts of the two are distinct from one another; otherwise, it would have been pointless to distinguish between them.

While the judiciary has been prevented from imposing the harshest sanction on its officials, during the past eight years litigants' complaints to the Office for the Supervision of the Magistracy have notably increased.

While about eight complaints a day were registered in 1987 and 1991, in 1992 the figure rose to an average of 12 and in 1993 to 24.

Although a drop in the number of complaints to 15 a day was noted between January and August 1994, the tendency continues to be high. In fact, between 1987 and 1994 the volume of complaints to the Internal Supervision Department increased by 25 percent.

Most of the complaints raised by litigants against the police courts are as follows in nature and in order of importance:

a) Failure to agree with legal rulings; b) the slow pace of the proceedings; c) inexcusable ignorance in legal rulings handed down by magistrates; d) illegal collections [of fines].

Names Withheld

Bribery is the most difficult of these kinds of misconduct in office to prove. In 1994 only one case of this kind could be confirmed. What is more, 20 of the 33 separations were imposed on magistrates and the rest of them on police court officials or employees.

"For ethical reasons," the head of the Office for the Supervision of the Magistracy, Dr. Carlos Giusti Acuna, chose not to reveal the identities of the 33 officials punished by separation from their posts.

However, it is necessary to know the names and titles of those who were sanctioned to avoid cases like that of attorney Carlo Magno Chacon, appointed substitute judge despite the fact that he had been separated from his previous post of public prosecutor because of his dubious participation in the release from prison of two drug traffickers in Huanuco. Specifically, during an investigation conducted by the Office for the Supervision of the Magistracy, the judge was separated from his post, whereas he should have been removed.

It is ironic that the government, which took over control of the judiciary on the basis of the argument that the latter was incapableof combatting corruption, has not encouraged its representatives in the Constitutent Congress to empower the National Magistracy Council. Eight months have gone by and that institution is still a bill of law. This vacuum, as we have noted, keeps the judiciary from removing from office its corrupt officials.

And it is also ironic that, instead of reducing the number of complaints against the administration of justice—which would be a reflection of the effectiveness of the reorganization of the legal system—on the contrary, their number has risen: from 3,319 in 1991 to 4,630 in 1992 and from that to 9,121 in 1993. Through their complaints, litigants are demonstrating their dissatisfaction with the administration of justice. Was the intervention on 5 April unnecessary?

[Box, p 10]

Giusti: "Judges Have No Experience"

[Interview with head of Office for Internal Supervision of the Magistracy Carlos Giusti Acuna by LA REPUBLICA; date and place not given]

Carlos Giusti Acuna, the head of the Office for the Internal Supervision of the Magistracy, said that the judiciary cannot sanction justice administraiton judges and officials with removal because the Constitution confers that power on the National Magistracy Council.

He said that, faced with the need for appropriately sanctioning misconduct in office, the Judiciary Executive Council has had to impose the sanction of separation instead of removal and that this is what the Constitutional Judiciary Law specifies.

"There was no other alternative, on the contrary, the work of supervision would have been paralyzed because up to now the Constituent Congress has not shown any interest in legislating for the constitution of the National Magistracy Council," he explained.

[LA REPUBLICA] But is not imposing the sanction of separation the same as removal?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Giusti] That is true, but in both cases the sanction [in question] is imposed when the justice administration magistrate or official is unfit for the post to which he has been assigned.

Giusti Acuna pointed out that so far this year only one magistrate has been separated for corruption because "it is a crime that is very hard to prove."

[LA REPUBLICA] Is there a direct relationship between low wages and corruption?

[Giusti] No, not necessarily. I recognize that it constitutes a difficulty for the better administration of justice and that the state must resolve it, but it is not exactly a cause-and-effect relationship.

[LA REPUBLICA] And the large number of substitute judges—isn't that fertile ground for corruption?

[Giusti] What is placed at risk is, on the contrary, the efficacy of the administration of justice, since what we have frequently fallen back on is the good will of lawyers when the latter really only have one-sided experience. I mean that the way a lawyer perceives a case is not the same way a magistrate does. A great deal of experience is required to be a judge.

According to Giusti, the chief obstacles to the exercise of supervision of the judiciary are the absence of a new structural design, a code of organization and functions, the creation of decentralized supervisory offices, the authority to appoint the personnel who develop the supervisory actions, and the decentralization of the offices that receive complaints.

"People think that we only look into litigants' complaints," he noted. "We also conduct investigations on our own initiative and when the media report irregularities."

[LA REPUBLICA] Isn't punishing someone with separation instead of removal, which has the connotation of setting an example, merely an elegant way out of the situation?

[Giusti] No, faced with the nonexistence of the National Magistracy Council, it is a necessity. We had to take action.

[LA REPUBLICA] What do you think are the reasons why the CCD has not promulgated the Constitutional [Magistracy] Council?

[Giusti] I do not know.

Need for Judicial Reform Examined

95SM0059C Lima PERUPAZ in Spanish Oct 94 p 11

[Article by Anibal Quiroga Leon: "Judicial Reform"]

[FBIS Translated Text] More than two years have gone by since the announcement of the last attempt to reform the judiciary—an inveterate practice in our national politics—and the results are certainly not encouraging. Improvisation, corruption, and lack of qualifications have not been eliminated, nor has real institutionality been strengthened in the judicature.

If the above seems caustic or unreasonable, we invite the reader to take a look at the president's message to the nation of last 28 July. How many lines were devoted to the topic of the judiciary? Not a single one. In his message to the nation, as concerns the justice sector, the only topics he mentioned were the Repentance Law as it applies to the antisubversion campaign and the apparently successful action waged with regard to the construction of a better Latin American prison system. The subjects of the judiciary, judges, or the judicature in general were not deserving of a single letter or comma.

That is to say, those issues that were on occasion of use to him in taking up the cudgels [for reform] with expressions like "jackals," "palace of injustice," and other epithets of the harshest kind the current president has in his ample repertory and as justification for a coup d'etat had to be concealed two years later with no little embarrassment in the face of the evidence of a crushing political disaster: the so-frequently mentioned reform of the justice administration system. And the minister of justice does not show a hint of concern; the issue simply does not exist.

There have been several attempts—almost all of which failed—to make progress on these issues. What there has been is neither much sincerity nor much expertise. For example, to "democratize" the Constitutional Judiciary Law—passed by the previous parliament on the basis of the work of a diversified parliamentary committee including a large number of magistrates, something which had never happened before—it was modified by a semisecret committee that ended up distorting and altering it without much quality. Thus these modifications—adopted through Statutory Law 25869, "Restructuration of LOP [Constitutional Judiciary Law] Rules"—were so democratic that the names and titles of the members of the new Judiciary Executive Council, in office until the end of this year, were cited in the 29th Final and Temporary Provision, extending the chief justice of the Supreme Court's mandate for the same period of time. And no one was challenged for it. That is, when someone looks for an example of a law with its own name, this one takes the cake. On the other hand, it was established that not only the candidate's peers, but also those judges of immediately lower standing would participate in the election of the chief justices of the—supreme and superior—courts. Thus for the Supreme Court all of its members plus all of the members of the superior courts of the whole country and for the superior courts all of its peers plus all of the judges of the courts of first instance of the judicial district in question. Not only does it destroy thehierarchical structure of the judiciary, which ought to be preserved by constitutional mandate, but it also inevitably makes the candidate for membership limit the election promises that he makes to

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

lower hierarchy justice officials whom he will have to—at least in theory—later oversee, command, and supervise. And it was obvious that this would happen with a minimum of standards for practical experience, but the geniuses responsible for this latest judicial reform did not take this into consideration.

No doubt the work of the Magistracy Honor Panel (JHM) must stand out and rise as a solitary milestone within this farrago of errors. But, as I have already said, the issue the JHM dealt with did not originate in the judicial reform, but in the Constituent Congress, specifically as a consequence of the clear and swift confirmation of the failure of the judicial reform. In the second place, the JHM worked dauntlessly and silently—almost without human resources—procuring a selection of magistrates who are suitable in terms of our means and reality. Without a doubt, the qualitative result has been greater in the Supreme Court than in the Lima superior courts, where the margin for error has unfortunately been larger. It is now beginning to affect the question of judges of courts of first instance and it will probably only suffice to include the judges and public prosecutors of Callao. And that will be it. What will the rest of the country have to suffer? No one knows for sure. It is true that the Supreme Court and the superior courts of Lima and Callao are the country's most important courts, but in national terms 80 percent of the administration of justice—not counting Lima and Callao—continues to remain in the hands of provisional—but on an undeniable basis of permanence—judges, a product of the massive purge carried out since 5 April 1992, without the situation's having changed in the more than two years since then or there being any signs of its improving in the short run.

The first major conclusion is that the issue of judicial reform is a total fiasco without its having required or established the appropriate political responsibilities. Building prisons or improving the absolutely necessary prison system is not the same as improving the administration of justice. One does not have to be a "top-ranking official," as the new public establishment that has become fashionable seems to be, to comprehend this. In the second place, the JHM's laudable, solitary, and self-sacrificing effort is insufficient to succeed in totally reforming the justice administration system. Merely noting how the JHM was run and constituted enables us to confirm this assertion. Thirdly, there is no real political determinaiton to replace and improve the justice administration service. There is merely an eminently political, immediate desire to exploit the situation, but it is not sincere, resulting in the non-concept of a state entrenched in the stronghold of the judiciary. Quite the contrary, its weakness is the administration's strength in unduly extending its field of political action without effective controls. And fourthly, the matter of democratic institutionalization is of necessity achieved through the conceptualization, ideologization, comprehension, and execution of an integral, sincere system committed and well versed in the true role of the judiciary, its social reappraisal as a public service and life option, and the respect and collaboration that both Parliament and the executive branch must accord the judiciary as a proper guarantee and in the role of the citizens to whom they are obligated and whose lives, assets, dignity, and families will be preserved or altered by judicial decisions. But, as long as there are categorizations like "fourth [class] officials" (we ask whether there may be fourth-class ministers with the same conceptual restraint; if there are, perhaps the reader can come up with more than one candidate for so severe an epithet) or the possibility that a noble member of Parliament may kick out a magistrate for the sole crime of trying to perform his misunderstood jurisdictive function, judicial reform willcontinue to remain in the limbo of wishes.

Uruguay

Sanguinetti Maintains Lead in Presidential Election

PY2811211894 Madrid EFE in Spanish 1901 GMT 28 Nov 94

[FBIS Translated Text] Montevideo, 28 Nov (EFE)—The Colorado Party maintains a 20,000-vote advantage over the National Party—which currently rules the country—and a 30,000-vote advantage over the Broad Front after the counting votes from 98 percent of the voting stations in the 27 November general election.

The opposition Colorado Party has 21,934 more votes than the ruling National Party, or "Blanco" Party, and 32,361 more votes than the leftist coalition Broad Front. The results of only 130 voting stations remain to be counted.

Other political parties have already conceded the Colorado Party victory. Colorado Party leader, lawyer, and journalist Julio Maria Sanguinetti, 58, will be Uruguay's next president, a seat he held between 1985 and 1990.

Today Sanguinetti received the congratulations of current President Luis Alberto Lacalle, leader of the defeated National Party, and from two of the three National Party presidential candidates, Alberto Volonte and Carlos Julio Pereyra.

This election marks the end of nearly two centuries of bipartisan politics in Uruguay because the Broad Front has practically matched the force of the other two traditional political parties and the three groups share voters preferences almost equally.

In Montevideo, where half of Uruguay's 3.2 million inhabitants reside, the left has a broad supremacy and the Broad Front again won the mayoral race. The new Montevideo mayor will be Mariano Arana, 61, an architect with deep ecological concerns.

According to official figures, a total of 2,084,266 Uruguayans over 18 years old, or 89.4 percent of the 2,330,154 registered voters, actually voted. Voting is compulsory in Uruguay.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The Interior Ministry, which is responsible for the tally, has added the results provided by 7,086 electoral offices, which represents 98 percent of the total of 7,215 electoral offices opened in the country. The results are as follows: Colorado Party—617,470 votes; National Party—595,536 votes; Broad Front—585,109 votes; New Sector Coalition—98,281 votes; and others—12,725 votes.

Lacalle, Ruling Party Concede Defeat

PY2811204694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1729 GMT 28 Nov 94

[FBIS Translated Text] Montevideo, 28 Nov (AFP-NA)—On 28 November, Uruguayan President Luis Alberto Lacalle conceded that attorney Julio Maria Sanguinetti (Colorado Party) was successful at the polls by inviting him to a meeting at Government House at 1130 (1430 GMT) on 29 November.

Lacalle telephoned his successor to congratulate him on the results of the general elections held 27 November, in which his successor's party, the Colorado Party (a liberal one), was voted in by a narrow majority.

Two of the ruling party's presidential candidates went to Sanguinetti's home at around midday to offer him their congratulations on his success.

The Progressive Encounter (a leftist party), the third largest political party in Uruguay, has not yet conceded defeat.

Blanco To Work With Sanguinetti

PY2811222494 Madrid EFE in Spanish 1703 GMT 28 Nov 94

[FBIS Translated Text] Montevideo, 28 Nov (EFE)—Two of the three presidential candidates for the National Party, Alberto Volonte and Carlos Julio Pereyra, today offered President-elect Julio Maria Sanguinetti, of the Colorado Party, their cooperation to help maintain the country's governability.

"Given the difficulties in governing because of the very slim majorities obtained through the balloting process, we have come to tell the president-elect that we have the desire and the willingness to contribute with the new government in its search for the well-being of all Uruguayans," Volonte said.

Volonte and Pereyra, accompanied by their respective running mates Alvaro Ramos and Wilso Enso, went to Sanguinetti's home to congratulate him on his victory in yesterday's election.

According to the provisional figures, Sanguinetti, with slightly over 30 percent of the votes, obtained a new mandate only five years after he finished his first mandate.

Current President Luis Alberto Lacalle, of the Blanco Party, called Sanguinetti to congratulate him and to invite him to meet and discuss the transition.

The candidate who still has not recognized the Colorado Party victory is Blanco Party candidate Juan Andres Ramirez, who was supported by President Lacalle's faction. Alberto Volonte today criticized this position when leaving Sanguinetti's home. He said to deny reality only leads "to more serious problems."

According to Volonte, the meeting with Sanguinetti proceeded in a "friendly and cordial climate of understanding," and the discussion centered on the need to continue talking in the future.

Provisional Vote Count Indicates New Congressional Makeup

PY2811185694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1740 GMT 28 Nov 94

[FBIS Translated Text] Montevideo, 28 Nov (AFP-NA)—A highly segmented Congress will be installed in Uruguay on 15 February 1995, some days prior to Julio Maria Sanguinetti's inauguration as president. Sanguinetti was elected in the 27 November general elections.

The following is the distribution of seats resulting from the elections, which is, however, subject to some changes once the vote count is finished, as the "dangling votes" ["restos"] (votes that are transferred from one candidate to the other) play an important role:

General Elections—1995-2000 term: Colorado Party (liberal)—11 senators, 34 deputies; National Party (ruling party)—10 senators, 31 deputies; Progressive Encounter (leftist)—9 senators, 30 deputies; New Sector Coalition (social democratic)—1 senator, 4 deputies. Total: 31 senators, 99 deputies.

At departmental level, the 19 mayoralties were distributed as follows:

National Party: 11 (Maldonado, Durazno, Treinta y Tres, Cerro Largo, Paysandu, Flores, Colonia, San Jose, Tacuarembo, Soriano, and Lavalleja).

Colorado Party: 7 (Artigas, Salto, Rio Negro, Rivera, Canelones, Florida, and Rocha).

Progressive Encounter: 1 (Montevideo).

Several Arrested in 'Minor Incidents' After Election

PY2911014394 Madrid EFE in Spanish 1954 GMT 28 Nov 94

[FBIS Translated Text] Montevideo, 28 Nov (EFE)—Police sources confirmed to EFE that several persons were arrested in Montevideo following some minor incidents after the 27 November election. The National and Colorado parties blamed the leftist coalition Broad Front for these incidents.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Education and Culture Minister Antonio Mercader, from the National Party, charged that some demonstrators, whom he identified as being members of Progressive Encounter—an alliance comprising the Broad Front and other parties—threw stones at the party's headquarters, shattering several windows.

Raul Mesa, leader of the Colorado Party's Group 2000, which, according to the election results, won by a large majority over the other Colorado Party factions, accused radical leftists of having shattered window panes, billboards, and neon signs at a Colorado Party precinct.

The incidents took place at 18 de Julio Avenue, Montevideo's main street, even though the Interior Ministry and representatives from the leading political parties had agreed to divide the avenue into four areas so that followers of each party could celebrate their possible victory at the polls.

The police spokesmen who confirmed the arrest of several persons, including some minors, following the incidents could not specify the exact number of detainees.

The Colorado Party, the leading opposition group, was elected by a narrow majority over the ruling National Party in the 27 November general elections.

The Broad Front once again secured the mayoralty of Montevideo, where half of Uruguay's population lives.

Voters Reject Education Reform Proposal

PY2911020094 Montevideo Radio Carve in Spanish 0000 GMT 29 Nov 94

[FBIS Translated Excerpt] [passage omitted] Voters who participated in the plebiscite on educational reform rejected the proposition by 68 percent to 31 percent. The Yes option for a constitutional reform with regard to social security was approved by 69.8 percent of those who participated in yesterday's election. Some 75,000 votes have not been tallied yet. [passage omitted]

Venezuela

Indians Seize Guatemalan Consulate in Maracaibo

PA2411192394 Caracas Union Radio Network in Spanish 2200 GMT 23 Nov 94

[From the "Union Radio News" newscast]

[FBIS Translated Text] A group of Indians has seized the Guatemalan consulate in Maracaibo, Zulia State. The group, called Guaycaipuro, burst into the consulate to call local authorities' attention to their economic and social difficulties. A spokesmen for the group reported that the Indians are confronting serious problems of malnutrition, unemployment, and lack of lands and public services. Zulia Government representative Oscar Rincon said they are trying to improve the Indians' situation despite limited resources.

Indians End Occupation

PA2511035294 Caracas EL NACIONAL in Spanish 24 Nov 94 p D-6

["Special Report" by Alonso Zambrano]

[FBIS Translated Text] Maracaibo—A group of 30 Indians, most of them Guajiros, occupied the Guatemalan Consulate, located on 69th Street and 15th Avenue, yesterday, demanding 30 bags of food as immediate relief to temporarily relieve their hunger. They also demanded land and credits for craftsmen.

Zulia Government Secretary Oscar Rincon arrived at the consulate, and the Indians agreed to leave after their meeting. Father Jose Palmar of Our Lady of Guadalupe Parish acted as mediator. Guatemalan Consul Olga Flores de Boscan decided to remain neutral in the conflict.

The Indians who entered the Guatemalan Consulate live in the neighborhood of "Etnia Wayuu," located in Ideolfonso Vasquez Parish, south of Maracaibo.

Teodoro Tarnot said they are social, not political, objectives. He said they decided to occupy the Guatemalan Consulate because it is an Indian country where Nobel Peace Prize laureate Rigoberta Menchu lives.

The occupants distributed pamphlets showing a picture of Teodoro wearing a beret similar to the one worn by Commander Chavez.

Agreement With Cuba To Exchange Drug Information

PA2911034894 Caracas EL UNIVERSAL in Spanish 27 Nov 94 Section 2 p 10

[FBIS Translated Text] Official delegations from Cuba and Venezuela met in this capital to discuss the topics of drug trafficking and consumption. They agreed to appropriately and permanently exchange intelligence information on persons and illegal activities through the organizations in charge of repressing this type of crime in both countries.

For three days, the Venezuelan-Cuban commission met to discuss cooperation in the fight against illegal drug trafficking. Important agreements were reached in the areas of prevention, treatment, and rehabilitation, as well as in the exchange of information and communications and in the legal field.

The Venezuelan-Cuban commission was created in Caracas in September 1990 with the support of the National Commission Against Illegal Drug Use (Conacuid) and the National Drug Commission of Cuba.

The National Drug Department of Cuba and the National Guard and Judicial Police of Venezuela will be

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

in charge of implementing the agreement, which includes the exchange of experience in training dogs to fight illegal drug trafficking.

Members of the Cuban delegation were German Sanchez Otero, Cuban ambassador to Venezuela; Pablo Rodriguez Vidal, international relations director of the Justice Ministry; and Colonel Miguel Gonzalez Pardo, chief of the Narcotics Department of the Interior Ministry.

Members of the Venezuelan delegation were Guillermo Romero Lizarraga, Conacuid president, and Mrs. Najad Kafrouni, Conacuid director general. A group of officials from the various government offices involved in the fight against drugs also participated.

In the field of prevention, the participants agreed to establish a system of alternate clerkships, which will be scheduled annually. They will be aimed at such specialized professions as doctors, pharmacists, psychiatrists, lawyers, social workers, psychologists, and teachers.

Likewise, in the area of information, participants agreed to exchange laws, regulations, and resolutions on the control of essential precursor chemicals, as well as information on the basic organizational structure of the appropriate institutions in charge of these operations and the creation of an information network for the exchange of national and international information on drug prevention.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735,or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.